

laune

Nijinsky plain

by CLEMENT CRISP

Nijinsky Dancing by Lincoln Kirstein. Thames and Hudson. £12.50, 117 pages.

Ah, did you once see Nijinsky plain? One of the most grievous sins of artistic omission in this century of the cinema has been our failure to preserve great theatrical performances on film. For the dance public what is there of the giants of this century? Little of value of Pavlova, two incredible minutes of Spessivseva, nothing of Karavina, Treflova. We have an extraordinary five-second clip showing an old man walking out of a Vienna hotel in 1945, which is the only live testimony to the greatest legend of the century's dance, Vaslav Nijinsky.

The fragment is so brief, the temptation so easy to read far too much into the strange muscular image we glimpse with its suggestion of rippling movement, that it is better not to comment on it. And so Nijinsky is lost to us. Or rather, he was until Lincoln Kirstein's new book, Nijinsky Dancing, came along. In it you can see Nijinsky plain. What Mr. Kirstein has done and superbly well as always, is to assemble the best photographs of Nijinsky in the majority of his roles and reproduce them superbly. For the first time in my experience, Nijinsky lives. The figure springs from the page, and without too great an exercise of the imagination the quality of his dancing, the movement imprisoned in the image, is freed.

The text provides an analysis of Nijinsky's roles and a commentary on the artistic world that produced him and the Diaghilev Ballet Russe. It is characteristically perceptive—a springboard for our study of the pictures. But it is the photographs—beautifully presented in a book that is itself beautiful—that tell us best about Nijinsky. The entire professional career, from the earliest picture of him as a slave in *Le Roi Candaule* in 1906, to the *Tyl Eulenspiegel* in New York a mere ten years later, is covered. At the heart of the book lie the five series of studies taken by the Baron de Meyer, a fashionable society photographer whom Kirstein rightly considers an amateur of genius.

The other pictures, notably those by Bert, are good; they show us much about Nijinsky's physical appearance, about the phenomenal musculature, especially the columnar neck so well discussed in Edwin Denby's celebrated analysis of Nijinsky's characterisation. We start to feel Nijinsky's stage presence; de Meyer's softer focus does not hide anything, rather does it convey the sexual bloom of Nijinsky's interpretation and the unique physical beauty.



Nijinsky in 'Scheherazade'. Budapest 1910

It is the same with *Le Portillon d'Armide*. In the 1908 series taken by Roscoe, Nijinsky is still a youth (he was barely 19), and the information we read from the pictures is ultimately unsatisfactory. By 1911, when de Meyer also photographed Armide's favourite slave, the allure of the characterisation, the element of dramatic caprice, is mature, and, beautifully caught. There exists a clear almost tangible relationship between sinner and cameraman: arrived at the last picture you almost feel that Nijinsky will take off effortlessly into the air and soar out of sight as he did in performance.

Extraordinary here, as throughout the book, is the testimony of his hands. Edwin Denby pinpoints the power of the neck; the expressive quality of the hands is no less amazing. Contrast them, delicately curled in Armide, with their 'modernity' in *Jeux*, or their already apparent dramatic force, outspread in the earliest pictures from *Le Roi Candaule*. They speak in *Tyl* as they do in *Faun*, even more so in *Le Dieu Bleu*. Nijinsky, we are told, was self-effacing to a point of non-communication off stage. The rehearsal pictures of the studious, oddly immature figure in New York in 1916 show him almost playing a role 'as' a choreographer studying a score. On stage the personality came into focus as the character being assumed took over. Here is where the hands are astounding. Their positioning in *Spectre* is so exquisite, so natural, so beautiful—especially in those Meyer shots—that one feels exactly the quality of the characterisation. Strong hands, with large square palms and a short, inflexible thumb, they seem to change appearance as Nijinsky's identity changed with each role, witness the pictures of his Albrecht, the mocking Harlequin in *Carnaval*, and the vivid action shots taken to help Jacques-Emile Blanche paint the *Danse Siamoise* portrait. It is thus, I suppose, we may recognise his genius. In this superb book we can know—I would hazard for the first time—something of what that genius was like. Certainly no Petruska has ever moved me as much as the five portraits Mr. Kirstein includes.

A valuable and persistent observer of Nijinsky in performance, and one quoted by Mr. Kirstein, is Cyril Beaumont. In his 85th year Mr. Beaumont has just published a volume of memoirs (*Booker* £7.50, £28 pages) which tells his story, as a publisher and seller of books and as our first and greatest commentator on ballet, up to the death of Diaghilev. Mr. Beaumont has been a guide and mentor to all our ballet-goers and writers and dancers, and in his memoirs, which incorporate his earlier *Diaghilev Ballet* in London, we may read how it all began. And he is grateful.

Just as with the study of Western painting, that of Chinese painting is attended by numerous problems. The question of precise attribution is rendered complex owing to the Chinese reverence for tradition which means, in effect, that a creative artist was often happy to copy an earlier work or to derive inspiration from it. The theme of the 'copy' in Chinese art would form the theme for an instructive exhibition.

The importance of the one at the British Museum lies both in the quality of the works displayed, which range from the 11th to the 14th centuries AD, and in the light it sheds on the changing attitudes of Chinese artists to painting. The aim of the Northern Sung painters was to present the

British Museum

Mountains and valleys

by DENYS SUTTON, Editor of Apollo



Ma Yuan: Scholar by a waterfall

Although the English have been discerning collectors of Chinese decorative arts, especially ceramics, they have been less attracted by paintings. However, one of the earliest Western connoisseurs to discuss them was Laurence Binyon, Keeper of Oriental art at the British Museum. He was a poet as well as a museum official and produced a notable translation of Dante, as well as studies on the English water-colourists and William Blake. His book, *Painting in the Far East* (1908) opened the eyes of more than one generation to the delights of Oriental art.

Binyon was especially in tune with the Sung landscape, understandingly so in view of his love for the English water-colour. It is thus appropriate that an exhibition of Sung and Yuan painting should be on view in the British Museum (North entrance), in the gallery adjacent to the Turner show.

This Chinese exhibition consists of twenty-five paintings from the Metropolitan Museum, one from the Museum's own collection and another belonging to Mrs. John D. Riddell. The Metropolitan's paintings were acquired en bloc from the collection of Mr. C. C. Wang in 1973 and several were once in the possession of the Ch'ing (Manchu) dynasty. An account of the circumstances of their departure from China is provided by Wen Fong in the handsome and instructive catalogue (in collaboration with Marilyn Yu).

"vastness and multiplicity of all of nature." The splendid example of this period which opens the show—*Summer Mountains* by Chu T'ing (c.1023-56)—is a brilliant example of monumental painting in which the looming mountains dominate the scene and only after contemplation does the eye seize on the fishing boats and the house. The artist abdicates his own personality in face of nature.

A different caption is revealed in *Cloudy Mountains* by the Southern Sung painter Mi Yu-jen (1086-1165) in which nature is seen in terms of the Impressionist made on an individual. The landscape, which presumably represents a scene in the regions of the Hsiao and Hsiao rivers, is a masterpiece of elimination touched with evocative poetry of a Chinese lyric.

This exquisite picture is a superb example of the painting of sensibility and of the refinements of a scholar-gentleman's 'heart print.' The details that led to the evolution of the aesthetic position of the Southern Sung painters is admirably outlined in the catalogue which tells us that Mi Yu-jen was a successful official who became Vice-President of the Board of War. He was an artistic adviser to the Emperor (Ming) and assisted in the task of rebuilding the Sung imperial art collection.

The more characteristic style of the Southern Sung paintings is shown by the enchanting *Scholar by a Waterfall* by Ma Yuan (c.1190-1225), an example of the refined tastes of the court. The scholar, with his servant are shown in their garden in Hangzhou; it is a vision of life that has composed, for many a Western mind, an essential element of 'Chinese taste.' In wandering round the show and delighting in the passionate contemplation of nature and of flowers that is revealed in these pictures, it is hard to believe that many were created during years of crises. Wen Fong points out that 'After the shattering Mongol conquest, poetry and painting became part of an underground culture in the south, lamenting a lost time and turning into a sort of resistance art, and flower paintings tended to be looked on increasingly for their allegorical significance.'

The *Narrative* by Chao Meng-chien (1255-1315) may be seen, not only as the expression of a delicate aesthetic statement, but as one with a meaning.

Foreign occupation can often sharpen a country's intellectual and artistic life. This was certainly the case in thirteenth-century China and the concept of scholar-painting which saw art as a means of personal expression maintained and evolved its hold upon artists.

At the same time, a revolution was effected in painting by Chao Meng-chien (1254-1322). His life reflects the complications of the time. Faced with the choice of retiring from public service permanently or working under the Mongols, he chose the latter. He was a masterly painter who grasped the importance of the Northern Sung tradition and evolved a revolutionary style in which the calligraphic inscription became part of the composition, a method shown in *Twelve Pines*. The point is made in the catalogue that Sung differs from Yuan painting in so far as the former sought nature, while the latter 'is nature.'

The artists of the Yuan dynasty (1279-1368) have become much better known since the major exhibition held at the Cleveland Museum of Art in 1968 which was commemorated in the impressive catalogue of Sherman E. Lee and Wu-Kam Ho. As a consequence the characteristics of its art are more clearly defined than was previously the case.

The British Museum show concludes with a group of works by the hermit painters of this period who flourished at Ch'ang-an. One of the most accomplished of these was Ni Tsan (1301-74) whose *Woods and Valleys* depicts the sparseness of trees and the solitude of nature. Another remarkable artist was Fang Ts'ung (c.1300-78) whose *Cloudy Mountains* is one of the most astonishing works on view, with its dream like and evocative depiction of nature. This picture would have aroused the enthusiasm of Monet.

Many of the late Yuan painters were executed by the first Ming emperor. If a message is to be found in this exciting show, which does much credit to the British Museum, it may be felt to lie in the hopeful fact that beauty can be created even in terrible times.

Festival Hall

Haitink

A safe, satisfying Sunday evening from the London Philharmonic: They opened with John McCabe's episodic work for large orchestra. The *Chopin Windows*, about which I wrote with detailed enthusiasm when the Halle (which commissioned it) played it in London last season. Credit where due; so restrospective credit to the Halle, who played it more delicately and effectively than the LPO. Beethoven can come to a chatty Haitink is a fastidious preparer, but did not make McCabe's rougher passages flow. It is a work that needs crisp argument and imaginative texture.

Alfred Brendel was the soloist in Beethoven's C major piano concerto. A radiant performance, catching an 'artificial' balance between classical nicety, happy mix of romantic tension, colour and energy. Brendel started the first movement solo

with cool detachment, making the phrases larger, the attack stronger, as Beethoven's thoughts grew larger, until a cadenza so long and elaborate that it seemed like a tiny sonata. The slow movement was like satin: glossy legato, tender moulding of the right hand decoration, suave orchestral playing. The finale was dapper, bright-toned, rhythmic, ally light and snappy; as close as sense of humour. Brendel is such an elegant, intelligent artist that the compliment seems tiny; nonetheless, I have never heard him play better.

For the LPO, the symphony was the evening's *force majeure*. It was Dvorak's *New World*, which Haitink conducted with dapper, bright-toned, rhythmic, ally light and snappy; as close as sense of humour. Brendel is such an elegant, intelligent artist that the compliment seems tiny; nonetheless, I have never heard him play better.

GILLIAN WIDDICOMBE

Odeon, Hammersmith

Queen

by ANTONY THORNCROFT

With all the indications that the inexorable has happened, and that the Bay City Rollers has peaked as the most popular group in the country, the way seems clear for Queen to carry the ball for the next few months. And what a change— from a group whose musical horizons are fixed at ankle level, to one that almost falls over itself in pretension.

At the moment Queen has a significant new album, a very rum best selling single, and a house full concert tour of the country. Catching them at Hammersmith on Saturday they exhibited all the paraphernalia of a rise to the purple. The show was lavishly packaged with a wondrous flashing of lights; lead singer and arch Queen, Freddie Mercury was beautifully costumed, transforming from skin tight white cat-suit to skin tight black in a flash of darkness; the special effects cost someone a lot of money with flaming torches at the finale blazing through the artificial smoke. It was a very elaborate performance billed as a 'Night at the Opera' and justifying the

label in its extravagance and success easily, if not arrogantly, has peaked as the most popular group in the country, the way seems clear for Queen to carry the ball for the next few months. And what a change— from a group whose musical horizons are fixed at ankle level, to one that almost falls over itself in pretension.

The (mainly male) audience loved it all, crowding the stage early on to shake and supplicate before Mercury. As for the music, it is bizarre and not immediately likeable—significant change melody the purple. The show was lavishly packaged with a wondrous flashing of lights; lead singer and arch Queen, Freddie Mercury was beautifully costumed, transforming from skin tight white cat-suit to skin tight black in a flash of darkness; the special effects cost someone a lot of money with flaming torches at the finale blazing through the artificial smoke. It was a very elaborate performance billed as a 'Night at the Opera' and justifying the

Elizabeth Hall

Monteverdi

by GILLIAN WIDDICOMBE

Regrettably, I thought Saturday's performance showed a basic underestimation of the strength, beauty and general point of Monteverdi's *Vespers of 1610*. Like a pairing of Tweedledee and Eric Morecambe, it gathered a first rate ensemble of sackbuts and cornetts with modern string instruments, and a handful of good, stylish soloists with a wishy-washy choir. Not that the Keswick Hall Choir, making their first South Bank appearance, were so inferior; indeed, they sang with remarkable sensitivity, pluck and colour for an ensemble from a College of Education in East Anglia. But they were overparted here. Though the actual style of voice production in Monteverdi's time is still under debate, of one thing we can be sure: that he intended the choral fabric to sound

performance all round. He used a single female soprano for the cantus firmus in the 'Sonata sopra Santa Maria' and generally avoided dramatic contrasts and expressivity, making unnecessary the obvious comparison with John Eliot Gardiner's magnificent performances at Westminster Cathedral. Like several details were the solo motets; but unlike, Michael Laird's cornetts added a sweet, bland colouring instead of the usual blaze of modern trumpets. Continuo was light and discreet; solo violin elaborated prettily in the sonata.

The soloists were stylishly led by Angela Beale and Martin Hill, with Ian Mackie as the echoing tenor, and Felicity Lott slightly soft in attack as second soprano. It was a bad evening for intonation—surprisingly, Martin Hill sang under the note of what should have been a resonant and beautiful was thin, even skeletal.

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Elizabeth Hall

Juilliard Quartet

by MAX LOPPERT

The penultimate of the Juilliard Quartet's Beethoven concerts on Sunday found the players at their best, sending that characteristically lean, electric, at times white-hot tone out into the muck of the Elizabeth Hall with a confidence suggesting that its measure had been taken. In two of the three quartets, Op. 18 No. 1 in F and Op. 59 No. 3 in C, the playing was not only of the expected fine quality throughout, but, indeed, of a heat and inspiration rarely encountered in the concert hall.

Details spoke volumes, as they will when the overall interpretation has been wholly and thoroughly considered. In the Adagio of the F major Quartet, for example, the way in which the first violin unusually delayed the crescendo of his opening note as long-held A, allowing the note to emerge as if only with great difficulty, was the kind of illumination one hopes for in Beethoven.

hoben cycles, with glamorous visitors of this sort. The finale of the C major Quartet, which ended the concert, had a gritty, biting energy and attack saved from being overhearing by the spirit of exhilaration behind it.

The central offering, the sublime A minor Quartet, Op. 132, was less satisfactory in ways difficult to explain. There was tension in the performance, an inability to unwind. The *Heiliger Dankgesang*, which must sound (at least in its first paragraph) as still and steady as the look of the notes on the page, was narrowed by little expressive adagets. Strangely, tone and ensemble were never strained or forced; it was, rather, the inner spirit of the playing that lacked security. Since this movement in particular is probably the most difficult ever written, as long-held A, allowing the note to emerge as if only with great difficulty, was the kind of illumination one hopes for in Beethoven.

Rudolf Heinrich dies

The English National Opera announced the death yesterday of the designer, Rudolf Heinrich. He was in London working on designs for *Salome*, opening at the Coliseum on December 11.

Phoenix Opera gala

The gala on Sunday night at Sadler's Wells Theatre in aid of Phoenix Opera succeeded in its main object, which was to raise money. At the end of the performance, it was announced that at least £7,000 had been made.

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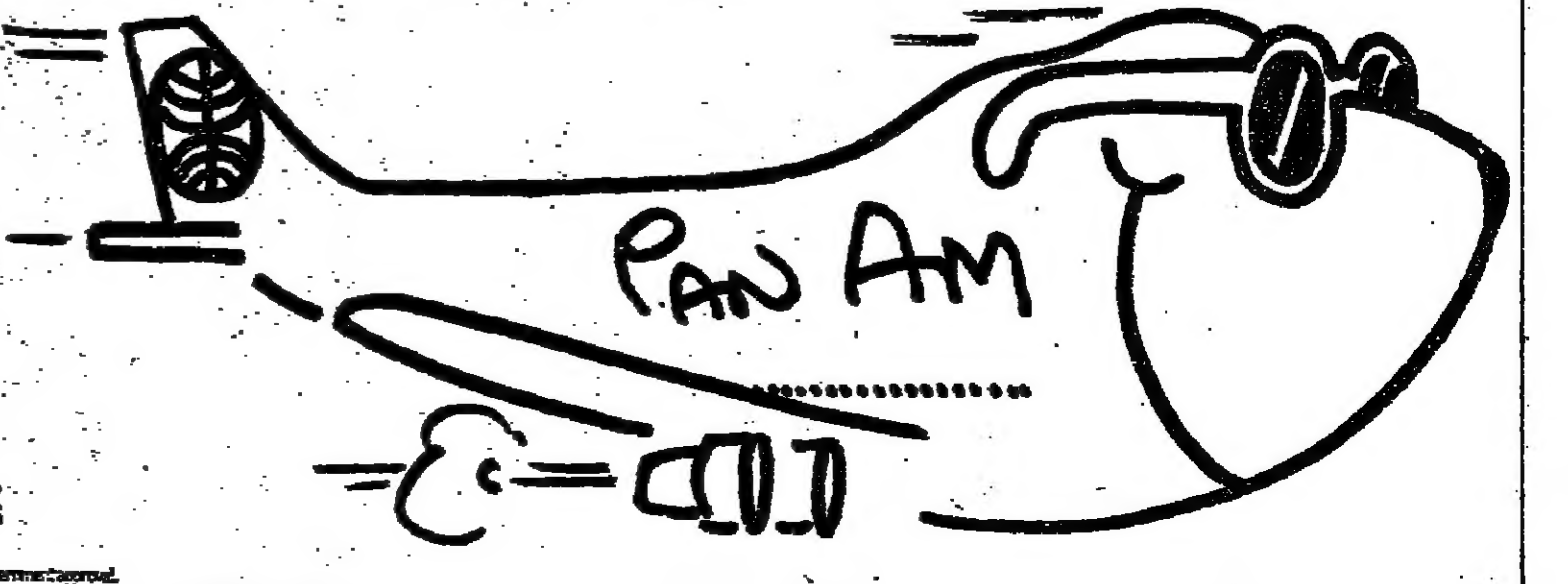
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WORLD TRADE NEWS

Tehran talks on expanding Indo-Iran exchanges

BY K. K. SHARMA

NEW DELHI, Dec. 1.

A HIGH level delegation led by Mr. Harish Mahindra, president of the Federation of Indian Chambers of Commerce and Industry, is en route to Tehran for talks on the development of industrial and trade relations between India and Iran.

The delegation has been invited by the Iranian Chamber of Commerce, Industry and Mines. It will explore possibilities of expanding bilateral trade and also identify institutional arrangements to promote trade investments in both countries.

Business leaders in Iranian industry and commerce as well as Government officials will meet the team during its 12-day stay. Indo-Iranian trade has been rising over the past four years. The value of Indian exports rose from \$22m. in 1972 to \$240m. last year. But India has an enormous trade deficit of \$280m. mainly because of the rise in crude oil and petroleum product prices.

U.K. to help Russia deal with wider car ownership

FINANCIAL TIMES REPORTER

LORD ERROLL, chairman of the Council of the Institute of Directors, said in London yesterday that the Automobile Association (of which he is also chairman) had offered help to deal with problems likely to arise as car ownership spread in the USSR. Lord Erroll has just headed an Institute delegation which spent a week in Moscow discussing possible deals under the Anglo-Soviet trade agreement.

A member of the Russian Committee on Science and Technology is to visit London this week, and would be shown round AA headquarters, Lord Erroll stated.

Cost to E. Germany of higher Soviet prices

BY LESLIE COULT

BERLIN, Dec. 1

EAST GERMANY has released figures showing the effect that price rises for imported energy sources and raw materials will have on its trade with the Soviet Union over the next five years.

The statistics, published in the main Communist Party newspaper Neues Deutschland, show that bilateral trade in the Five-Year Plan beginning January, 1976, will amount to 100 billion marks (100,000 million marks), expressed in 1974 prices. However, expressed in the new internal Comecon "contract prices" set this year, East German-Soviet trade will be worth 140 billion (140,000 million marks) up to 1980. The difference is largely accounted for by higher prices East Germany will pay for Soviet

crude oil, natural gas, iron ore, cellulose, asbestos and other important raw materials. The figures are the first to show the shift in terms of trade between the two main trading partners of the Communist bloc. Until last year East Germany benefited by low prices for Soviet exports of natural resources and relatively high values for its industrial product exports to Russia.

The 140bn. figure is given as "approximate," presumably because the "contract prices" provide for yearly adjustments based on the average international prices for a specific product over the preceding five-year period.

BOTB in drive to aid exporters

Financial Times Reporter

THE British Overseas Trade Board is to hold a series of export conferences over the next 15 months, starting with one at Sheffield on Thursday. The purpose is not to export, but to try to help companies which have made a success of exporting in terms of profit and employment to pass on their experience to those who could do better.

Aided by the CBI, Chambers of Commerce, the British Institute of Management and government regional offices, companies with a good export experience will be written up as case studies for presentation to the local conference. The aim is to have "business talking to business."

Leading trades union officials have been invited to the first meeting at Sheffield, the forerunner of others throughout the country. Companies have been asked to bring their principal shop stewards.

The second conference will be at Bristol (December 11) and the next at Southampton (January 21).

Russia may limit use of Malta docks

By Our Own Correspondent

VALLETTA, Dec. 1.

THE SOVIET UNION may be planning to restrict the use of Malta docks for tanker repair work because of the cold diplomatic relations between the two countries.

Drydock officials on their way to the Soviet Union to discuss ship repair work for the year were refused entry visas, and were forced to return home. This is believed to be the first time drydock officials were stopped from entering the Soviet Union.

The incident may be a direct result of Premier Leonid Brezhnev's remarks about the Soviet Union at a recent public rally. He said permission for the setting up of a Soviet Embassy would continue to be denied unless a trade deal was first concluded.

At the same time the Russians may be feeling uneasy in sending their ships for repairs where a number of Chinese technicians are working on building a new drydock. Malta's affinity with Russia makes it clear that Soviet plans for a closer working relationship are treated with utmost care.

Earlier this year a Soviet trade delegation visited Malta in the hope of securing the creation of a permanent trade mission office in Valletta. But Mr. Micallef refused to grant Soviet staff diplomatic immunity.

Last year the Soviet Union sent 15 vessels for major repair at Malta drydocks.

Pakistan to build Cessna aircraft

By Iqbal Mirza

KARACHI, Dec. 1.

AN INDIGENOUS aircraft and helicopter industry will soon be set up in Pakistan. The projects will be located near Campbellpur, in the Punjab.

Cessna Aircraft, a major producer of light-wing aircraft, has agreed with Kiyuski International to produce Cessna TA-41D aircraft under licence in Pakistan.

Similarly, Kiyuski International has signed an agreement with Hughes Helicopters in Pakistan. Cessna and Hughes have a large demand in the Middle East and could prove to be good foreign exchange earners for Pakistan.

The two plants are expected to produce 50 helicopters and 60-70 aircraft annually. The plants, in the beginning will use imported aluminium parts and engines to be assembled here.

Contracts Abroad

L. M. ERICSSON is to manufacture conventional cross-bar telephone exchange equipment costing \$70m. for Algeria, to be installed in about 80 towns over the next three years.

INDIAN JUTE INDUSTRY CRISIS

Price factor crucial in fight for survival

BY P. C. MAHANT, IN CALCUTTA

DESPITE THE Indian Government's 10 per cent subsidy scheme covering cart, cartage and decorative bazaar exports, the pessimism prevailing in the jute industry for over a year has not noticeably been relieved. The industry apparently feels that the subsidy will not go far towards cutting its losses, as the Jute Commissioner says it will.

Losses in hessian and sacking exports are too heavy to be neutralised effectively by the 10 per cent cash subsidy on cartage and the higher and more decorative bazaar specialties which constitute only one third of total exports and one quarter of the total output.

Recession

The recession in the U.S., Western Europe and Japan is the main reason for unsatisfactory demand. What makes matters more difficult is the stiff competition which synthetics and Bangladesh are now offering in all the principal markets. The world energy crisis, it seems, has not damaged the competitive strength of the rival synthetics — polypropylene and polyolefin. The producers concerned have found a way not only of maintaining their competitive strength but even offering appreciable discounts to undercut jute when the circumstances warrant.

On top of it all, the Indian Government insists that the mills should go on working at full capacity in order to meet the demand for jute mill labour, the mills say they are having to lose heavily, which indeed they must be on their current costs and prices.

The industry has been appealing to the Government to extend the benefits of the subsidy scheme to all exports and to remove the duty on sacking—export duties on cartage and hessian have already been removed. It hopes in the meantime that orders from the developed Western economies will soon improve and that Russia will resume buying Indian jute goods on the scale it had been doing until last April.

By all accounts 1975 will be a bad year for Indian jute. But what is the outlook for next year and 1977? A study of the jute industry's outlook by the Food and Agriculture Organisation's Inter-Governmental Group on Jute, Kenaf and Allied Fibres, seems to suggest that the prospects for this industry are not going to brighten in the next two or three years—something very unexpected happens.

The study says that after the scarcity of synthetics following the energy crisis, supplies of polypropylene polymer became much easier in 1974-75 and the prices even weakened considerably. While the synthetic fibre prices were falling those of jute goods were rising, so steeply in

fact that the competitive position of jute deteriorated quite sharply. Consequently the displacement of jute by synthetics accelerated.

Giving examples of the jute losses, the FAO study cites the instance of the U.S. cotton bale market, a major area of jute goods consumption and once a preserve of jute. Because of its growing cost advantage, woven polypropylene started making inroads into this field, as did synthetic sheet materials. During the past year, when it was expected that jute would recover some of the lost ground, not only did the inroad increase but it is now obvious that as supplies of synthetic hessian materials expand, a rapid displacement of jute is most likely to take place.

In the primary carpet-backing market, which contracted drastically during the last quarter of 1974 with the slump in the construction industry and in demand for motor vehicles and other durables, jute lost further ground through lack of competitive power. Its share fell to 25 per cent from 33.2 per cent, a year earlier and 30.8 per cent in 1968. In other parts of the world such as Australia and Western Europe the story was very much the same.

A substantial part of the primary backing market in Australia had already been lost, and that loss continued in 1974-75 when the duty rate by the Indian Government. A large part of the woolpacks market has been lost to polyolefins—the other synthetic which has not been affected by the energy crisis at all—both on technical and price grounds. In Western Europe jute, says the study, has virtually lost the primary backing market. That market can never be regained unless jute becomes at least 25 per cent cheaper than woven polypropylene, which does not seem likely.

Standard fabrics

In the case of standard fabrics, woven polypropylene has a considerable price advantage in Europe over the heavier types of jute hessian and in the carpet welt war market, polypropylene has a price advantage ranging from 25 to 50 per cent. Secondary carpetbackings and lighter hessians still have a competitive edge over the synthetic rivals in Western Europe, as in the U.S., but overall the prospects for jute in Europe (Eastern Europe included) appear uncertain primarily because jute consumption in Western Europe has been declining steadily.

The Western European share in world jute consumption fell to only 6 per cent, compared with 20 to 25 per cent in the early 1950s and 15 per cent in the mid-1960s. In East European countries, too, a marked switch has been taking place to synthetics—in Poland and Hungary in particular, which account for most of jute goods imports in that part of Europe.

The Group is no more optimistic about the medium-term

prospect or what it calls the slightly long-term. In the first place world prices of polypropylene are expected to recede after 1977, when considerable new capacity is scheduled to come on stream—there might even be some excess capacity in Western Europe and Japan. In the U.S. synthetic prices might increase if the producers charge over to feedstocks based on naphtha or heavier oil from light hydrocarbon feedstocks as at present. But the synthetic manufacturers with the resources at their command which the jute goods makers can never have, may still find a way to remain competitive.

Thus, the battle for markets between jute and the synthetics is obviously going to intensify, with sharply increased competition rates considerably adding to the latter. Since price will be the main weapon with which the battle will be fought, jute goods producers must devise ways of offsetting their goods cheaper and still earn normal profit. Governments cannot go on subsidising indefinitely. The present Indian cash subsidy scheme will operate only until next March, and its extension thereafter would be difficult, at least politically.

The proposed Jute International may come into existence some time next year. One of its main duties will be to help jute goods producers find ways of fighting synthetics but even without the international forum, its suggestions, the study measures can clearly be seen.

The Indian industry urgently needs to modernise its equipment and spend adequately on research development to discover technical means of spinning and weaving that will help it to diversify profitably. That is especially so in decorative.

Producing a minimum quantity—industry's normal needs as 7.2m. bales annually—is as essential to survival as maintaining export markets or finding new ones. To produce an adequate crop the farmer needs the assurance that he would not lose a growing jute as against rice. Secondly, there must be adequate price support operations either through official purchases by the jute corporation or by the mills even in excess of the normal requirement when necessary, or both.

New types

The FAO experts suggest that the best way out of the problem would be to grow enough jute fibre on a smaller area by planting new strains of high yielding varieties. Already this is being done in selected parts of the Indian jute belt, and the crop yield has improved encouragingly. But considering that the operation would involve millions of farmers spread over a vast geographical area it must necessarily take time before the problem is tackled fully.

Notice of Meetings of Shareholders of
 PENN CENTRAL INTERNATIONAL LTD.
 Notice is hereby given that the 15th Annual General Meeting of the above Company will be held at the times and places stated below.

PLEASE TAKE NOTICE that the meeting of the Board of Directors of the above Company will be held at the times and places stated below.

New York City:
 Office of Secretary Trust Company
 100 State Street, New York, New York
 100 A.M. Friday, December 12, 1975

Zurich, Switzerland:
 Zurich Hotel
 Zurich, Switzerland
 2:00 P.M. Monday, December 15, 1975

London, England:
 Office of Henry Schroder
 Wang & Co. Limited
 130 Cheapside
 London, England
 10:00 A.M. Friday, December 12, 1975

These purposes of the above Company are to formalize the creation of a new authority of Shareholders to the Central Company and other parties to the Penn Central International Trust Company reorganization, to take any action taken and to be taken to protect the Shareholders' interests as against the settlement in the officers and directors of the Company.

The undersigned Trustee has been authorized by the Board of Directors of the above Company to call the above meetings and to take any action taken and to be taken to protect the Shareholders' interests as against the settlement in the officers and directors of the Company.

SCHRODER TRUST COMPANY
 Trustee
 By George R. Stevens, Vice President
 Worcester, 1975

TI sales staff get new task

PUTTING BRITAIN'S record of industrial disputes into perspective is now one of the tasks of overseas salesmen of the Tube Investments Steel Tube Division.

They have been armed with information to counteract clients' fears that disputes will result in delivery problems.

The company says that at a time when competition in overseas markets is more acute than ever they have been finding some resistance to place business in Britain because of such fears.

Salesmen have therefore been instructed to explain the industrial disputes record before getting down to selling steel.

Among the points they are making is that over the last five years the number of days lost per 1,000 workers in Britain is lower than in many other countries, including Italy, Canada, the U.S., Finland and India. They emphasize that the Tube Division is much below the national averages for Denmark, Belgium, France and Japan.

Export Contracts

PRITCHARD-RHODES, London, and J. F. PRITCHARD, Kansas City (International Systems and Controls, Houston, group) have a £10m. contract to build an ethnic jute conveyor plant for INA, Naftaplin, Zagreb, Yugoslavia, at Ivanic Grad, 18 miles from Zagreb. About 25m. of the contract represents design, procurement, site supervision, and equipment purchases in Britain, including heat exchangers, pumps, piping, instrumentation and electricals.

BRITTEN-NORMAN is to build 12 twin-engine, Islander light transport aircraft worth \$3m. for the Belgian Army. It is the first order by a NATO country.

WANDER BAIRES AND MARSHALL, Bristol, consulting engineers, will advise on improvement of urban roads in Hail, Saudi Arabia.

SHAWLOADERS, Batley, Yorkshire, will build fork lift trucks costing £108,000 for Siderurgica Lazara Cardenas, Mexico.

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مكتبة الادب

AMERICAN NEWS

Moderate but steady U.S. economic recovery seen

BY PAUL LEWIS, U.S. EDITOR

FURTHER support for the increasingly widely-held view that the American economy will experience only a moderate—though steady—recovery next year, has now come from the Economic Forum of the Conference Board—a well-known group of private economic forecasters. In their latest report, issued over the week-end, the economists paint a somewhat less rosy picture of the outlook than the Federal administration by predicting real growth of 3.8 per cent, as against official hopes that the GNP will increase by about 7 per cent. after adjustment for inflation.

However, they expect that the rate of price inflation, as measured by the consumer price index, will drop from about 9.2 per cent this year to 6.6 per cent. Unemployment next year is forecast to average 7.8 per cent, as compared with 8.5 per cent during 1975.

Summing up the general view, Dr. Albert Sommers, the chief economist for the Conference Board, describes next year's recovery as "moderate" and warns that the residue of caution and

distress caused by the recession "will not be quickly dissipated as the recovery proceeds."

Looking at various key sectors of the American economy, the economists predict a 5 per cent rise in real consumer expenditure next year, a 20 per cent upturn in housing starts from this year's heavily depressed levels and a \$15bn. increase in business inventories—just about offsetting this year's decline.

Although this group of economic forecasters takes a somewhat cautious view of the outlook, it is important to realise that other private economists still side with the rather more optimistic predictions of the administration and the so-called "Triple 7 Formula"—meaning, 7 per cent real growth, 7 per cent inflation and 7 per cent unemployment next year.

In short, professional economists are even more divided than usual at the moment about the prospects for the U.S. recovery—a situation that is not unexpected in view of the rather ambiguous message that the latest indicators seem to be flashing. Typical of these is the Government's index of leading indicators which after

WASHINGTON, Dec. 1.

rising steadily for most of this year, levelled out in September and declined last month.

While no one doubts that the very fast pace of recovery recorded in the third quarter of this year cannot be sustained, there is considerable uncertainty about the future strength of consumer demand and the prospects for inflation next year. The midsummer upsurge in prices may have been an anomaly as the Administration maintains. But it did raise the possibility that the recovery would be followed by a recovery next year.

At the moment, the Federal Reserve appears to have some leeway in hand for its management of the money supply, since the growth of M1 for the half-year ending November 19 was 6.1 per cent—or right in the middle of its 5 to 7.5 per cent target range. However, the chairman, Dr. Arthur Burns, has repeatedly warned that the growth of the money supply would have to decline next year as the recovery proceeded, and it is uncertain whether he would agree to aim for the upper end of his target range.

HOW TO COPE WITH A STRIKE

The Post gets through

BY DAVID BELL, IN WASHINGTON

FAT EDITIONS of the Washington Post are appearing like clockwork—though the men who usually print it have been on strike for more than seven weeks. Pickets continue their daily vigil outside the Post's new building in central Washington, while executives, journalists, advertising staff, and others are producing the paper. Mr. Ben Bradlee, the Editor, one night worked until 3.15 a.m. in the packing department, and Mrs. Katharine Graham, the chairman of the Board, has been taking classified advertisements on the telephone.

These amateurs, as they like to style themselves, have been so successful that even though nine unions are currently on strike, including compositors and printers, the Post is back to about 80 per cent of its normal size and has regained most of its lost advertising. Almost all the presses, damaged by irate printers when the strike began on October 1, are working again. But a shortage of staff is forcing the Post to print some sections at secret locations outside Washington.

The Post's success in continuing to publish is being watched closely by other papers across the country, because by a combination of good luck and careful planning the company appears significantly to have altered the balance of power in favour of management.

Even some members of the striking unions who have stayed at work have been setting type, manning the presses, and doing a host of other jobs that they would not normally do. They have been able to do so largely because two years ago the Post began "cross-training" some of its staff in Oklahoma so that they could do jobs in other departments of the paper if the need arose.

Training started in secret, but the paper took care last year to make sure that the craft unions

known it was going on, in an attempt to make them recognise that the company meant business. The management never expected that cross-training would pay the dividends it has, and that production could be almost back to normal.

The unions are not allowed by law to prohibit these "scabs" (as they called the cross-trained personnel) from entering the building. Without the power to

been working normally. The unions which are now out

are mostly striking because their wage contracts have expired and they have yet to negotiate new wages and conditions. Some, like the compositors, are on strike in support of their "sister" union in the packing department. But the real dispute is with one union, the "pressmen" who run the presses, and it has a long history.

four weeks' vacation, five holidays, six days of sick leave, and 56 scratches (days on which he simply prefers not to work) and still earn more than \$23,000 in one year. The Post concedes that that is a special case, but says that average earnings of pressmen range from \$17,000-\$30,000. Mr. Mark Mesinger, the general manager, says bluntly that "some of the pressmen are trying to rip the company off" by

notably the classified advertising sections, had begun to be printed by a "cold type" process. It involves the use of computer typesetting, photographing completed pages, making printing plates from the negatives of these photographs. These plates are then used for printing in the normal way.

The strike has forced the Post to print entirely by the cold type process. It had been thought that only hot metal was flexible enough to deal with fast-breaking news stories and rapid edition changes. The management still suspects that hot metal does provide greater speed, but it is no longer sure and very pleased by the look of the paper since it has been produced by cold type.

For British newspapers, some of which are about to embark on printing by variations of this cold type process, there may well be lessons to be learned from the experience, although it is perhaps too early to evaluate them fully. The Post's ability to print without its craft unions, of course, would be difficult to imagine in Britain.

The Post vows that it will not give in until it has won control of scheduling. The unions are equally adamant that the Post must offer more than it has done so far before they will consider a deal. Mr. Mesinger admits candidly that it is partly the management's fault that the situation was ever allowed to arise at all, and that it should never have ceded so much power to the union down the years. Now, he says, the paper is determined to stand firm.

The pressmen have given every sign that they, too, intend to stand fast. Advertisements have been appearing all over Washington urging people to cancel subscriptions to the Post because it is anti-union. The fight promises to go on for some time yet.

By a combination of good luck and careful planning the company appears significantly to have altered the balance of power in favour of management.

stop newspaper deliveries or to bar entry, the unions have no way of stopping the paper, now that enough other people know how to produce it. The implications are considerable. If other papers follow the Post's example, the role of craft unions in the American newspaper industry may change markedly.

Journalists, who disapprove strongly of the damage done to the presses, have stayed at work, but very few of them have actually been working in the press hall. Some have been helping to paste up completed pages, while others have been working in various other departments. In so doing, they have been acting against the advice of their own regional union hierarchy, who have been supporting the printers on the grounds that cross-training might one day be used against journalists as it is now being used against printers.

Had the journalists struck, some sort of paper would still have been printed by the existing cross-trained staff, and written by executives. Indeed, the only really key workers are the non-union delivery drivers, without whom the paper could not be distributed, and they have

The determination of the management to reduce manning levels in the press hall is at the root of the dispute. The eventual target is a 25 per cent cut in manning levels, and talks about how it might be achieved had been going on before the strike. No firm promises were made, but the Post has already concluded a landmark agreement with the compositors which guaranteed them lifetime employment in return for running down staff by natural attrition. It took two years to negotiate, and the Post sees it as the model for the kind of deal that might be struck with the printers. But their case is more intractable.

In the past 50 years, the pressmen's union, the International Printing and Graphical Communications Union, has built up a formidable position of power in the press hall. In particular the union, not the company, is responsible for scheduling the working hours of the printers, and the Post alleges that the schedules are fixed to allow printers to earn excessive amounts of highly paid overtime.

According to the company "by controlling the schedule completely, one pressman can take

manipulating the schedules. The union contends that examples such as the one quoted above are entirely misleading. "Anything that we have got is for sale, but we are not going to give it away after fighting for it for 50 years," a union vice-president says. "They want to chop and not to pay for it, and we will not stand for that."

All the unions believe that the company deliberately prepared for the strike, trained "scab" labour in anticipation of it, and wants, once and for all, to curb their bargaining power. The company denies this. Mrs. Graham said recently that a "daily newspaper that cannot publish without its craft unions bargains like a city with its police force." The Post could no longer accept that kind of situation.

Meanwhile the absence of the printers and the compositors has had one interesting effect on how the paper is produced. Before the strike, the news sections were printed in the traditional "hot metal" fashion, using standard Linotype machines, and traditional printing methods, with each line of type set from molten metal. Other parts,

Chilean output up by 5% in September

By Hugh O'Shaughnessy

THE FALL in industrial production in Chile was arrested in September when output rose by 5 per cent in comparison with August. Nevertheless output is 15.5 per cent below the average for 1974, according to SOFOFA, the Chilean equivalent of the CBI.

Mr. Domingo Arteaga, the SOFOFA President said the September figures demonstrated that the Chilean industry had touched bottom and was on the way to recovery.

The industries hardest hit by the contraction in the Chilean economy have been the rubber and the electrical goods industries, whose September output indices were 63 and 49 per cent below those of September 1974 respectively.

Sir Orlando Sáenz, a former head of SOFOFA has meanwhile delivered another attack on the Government's economic policies and has forecast that the fall in output will continue for several months of CAP, the state steel company, would mean losses of between \$50m. and \$80m. his year. In the first half of his year CAP was able to sell only 153,150 tons of its total output of 186,556 tons.

Swiss bank fights order

BY GUY DE JONQUIERES

NEW YORK, Dec. 1.

THE DELICATE question of how far American authorities may compel a Swiss bank to strip away its veil of secrecy is to be tested soon in a U.S. court.

The issue has been brought to a head following the refusal by the Swiss Credit Bank to comply with a federal judge's order that it transfer to its New York branch assets valued at between \$150m. and \$200m. owned by American investors.

The judge issued his order last week at the request of the Securities and Exchange Commission, which is investigating an investment scheme in which several hundred American citizens purchased securities said to be backed by gold held in the vaults of the Swiss Credit Bank in Zurich.

In a statement released in Switzerland, the bank stated flatly

that the judge had "neither local nor material competence" for issuing his order and denied that its operations fell within the jurisdiction of the SEC. But at the same time it said that it would ask a U.S. federal court to revoke the order.

The bank also said that it had provided the SEC with as much information as was "permissible" about its connections with the investment scheme and contended that the issue of banking secrecy did not therefore arise.

The bank has been named, together with other defendants in the U.S., Switzerland and Liechtenstein, in a civil action brought by the SEC charging that the organisers of the investment scheme fraudulently sold at least \$580m. in unregistered securities to U.S. investors.

Canada running \$2.49bn. deficit

THE FEDERAL Government

OTTAWA, Dec. 1.

in the first seven months of this fiscal year, starting April 1, figures and that, on the basis of figures that would be comparable with last year, there would be a surplus of \$495m. for the first seven months of the fiscal year.

Under the terms of the Securities Act Amendments 1975, which becomes full effective this morning, the only federal Government criteria for membership of a U.S.

SEC-NYSE battle over foreign membership

BY JAY PALMER

THE NEW York Stock Exchange and the Securities and Exchange Commission now appear to be on a collision course for yet another battle over the Exchange's alleged anti-competitive rules. The focus of the coming struggle will be the NYSE's continuing refusal to admit foreign-owned brokers to full Exchange membership.

Under the terms of the Securities Act Amendments 1975, which becomes full effective this morning, the only federal Government

stock exchange is "financial competence and stability plus operating capability."

While this seems legally to open the doors to full foreign membership, the New York Stock Exchange under its own charter continues to prohibit non-North American brokers or banks from becoming members. The NYSE has made it clear that it is going to stick by its rules and at least for the moment ignore the federal law.

Needham insisted last week. "Ultimately foreign broker dealers will have to be admitted. But they should not be encouraged to do so as long as there is a possibility that they will drain income from existing members. The whole problem should be re-examined."

This will not be the first time that the Exchange and the SEC have locked horns over the issue of competition. Earlier this year the SEC forced through mandatory up-fixed commission rates against NYSE opposition and, at

the moment, the two sides are fighting over an SEC scheme to abolish certain deals over the Exchange's rules which prohibit members from dealing in certain stocks on other exchanges.

Despite the NYSE's open lack of hospitality, at least a few foreign-dominated companies have indicated that they will apply for membership. If, as is likely, the NYSE refuses membership applications, the issue will almost certainly be appealed to the SEC for a ruling.

Canada postal service hopes

OTTAWA, Dec. 1.

CANADIAN postal officials have said that they expect the national mail service to resume tomorrow following the week-end signing of a tentative agreement with the Canadian Union of Postal Workers.

Local meetings to vote on the pact are due today. Postmaster-General Bryce Mackasey announced the signing of a memorandum of agreement late on Saturday night but did not give details.

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Turkey boosts defence spending

By METIN MUNIR

ANKARA, Dec. 1.

TURKEY'S DEFENCE spending in the 1976 fiscal year is to rise a record 44.7bn. Turkish lira (83bn.), according to the new budget tabled in parliament today.

This sum, which is expected to be legislated without being reduced, constitutes an increase of 66.5 per cent. over budgeted defence expenditure in the previous period and is 29 per cent. of the new budget.

Finance Minister Vilimaz Ergenekon, unveiling the budget at a news conference today, did not say why such a massive defence allocation was necessary. But the reasons are obvious: the Cyprus question is unresolved and relations with neighbouring Greece, which accepted a record \$1.5bn. budget for 1976, are strained.

Turkey is also uncertain about the U.S. her biggest supplier of arms, after the experience of the eight-month embargo which has been only partially lifted.

The effect of Cyprus and its aftermath on Turkey's desire to arm is that the defence spending earmarked for 1976 is about 240 per cent. more than the sum budgeted for 1973-74 before the Cyprus war.

Of the total, \$2.2bn. (61 per cent. more than the previous period) will be allocated to the Ministry of Defence, \$192m. (45 per cent. more) to the paramilitary gendarmerie and \$850m. on the project to modernise and reorganise the Turkish army.

The money allotted to this so-called REMO Project is far greater than the previous period and will be mainly spent on arms soldiers or agents.

Communist leader sees no unity prospect

By Paul Lendvai

VIENNA, Dec. 1.

A TOP Yugoslav Communist leader has announced that a common political line for all Communist parties was "impossible" and that even the idea of co-ordinating the foreign policies of the various Communist parties working under different conditions was an "anachronism."

In an interview given to the Belgrade party weekly *Komunist*, Dr. Aleksandar Grljickov, the secretary of the executive committee of the Yugoslav Communist Party, added that the projected conference of the European Communist parties could not be considered as a prelude to a world Communist conference.

The last meeting of the 28-party editorial commission held in East Berlin last month failed to agree on a joint draft document and decided to meet again in January to consider a final date for the Communist conference, originally scheduled to take place last summer.

Dr. Grljickov confirmed that differences concerning both principles and fundamental questions, the character and aims of the conference have not yet been overcome.

He spoke out in favour of adopting a "meaningful political statement" at the conference which would, however, exclude issues subject to different opinions.

He added that the conference should be held in public but gave no indication as to when the conference will be finally convened.

Big deficit forecast for Danes

By Our Own Correspondent

VIENNA, Dec. 1.

A SUBSTANTIAL budget deficit is expected to persist in fiscal 1976-77, the Finance Bill presented here on Friday shows.

The cash deficit for 1975-76 is now estimated at Kr.13.5bn. and for next year at Kr.12.9bn. (about 6 per cent. of estimated gross domestic product).

Current Government expenditure will rise from Kr.72.5bn. in last year's budget to Kr.77bn. next year, with revenues rising from Kr.59.7bn. to Kr.66.8bn., Finance Minister Knud Heinesen told the Folketing.

DUTCH FREEZE

By Michael Van Os

THE HAGUE, Dec. 1.

THE Dutch Government has proposed a general pay freeze for next year as well as a further stiffening of price controls in a major new effort to cut inflation which was expected to rise further next year from the current level of around 10 per cent.

At a Press conference here today, held after a letter detailing the measures had been sent to Parliament, three Cabinet Ministers stressed that the package was "vital" to prevent unemployment from deteriorating further next year.

As forecast in this paper last Thursday, Dutch wage earners' pay will be frozen next year.

FRENCH DEFENCE POLICY

The cost of a certain grandeur

By ROBERT MAUTHNER, PARIS CORRESPONDENT

PRESIDENT Giscard d'Estaing is nothing if not conscientious. When elected last year, he was one of the first to admit that his knowledge of defence problems was rudimentary and soon afterwards it was announced that he would make an intensive study of them. The result of his reflections, if not revolutionary, bears a distinct personal stamp and will lead to a significant reorientation of French defence policy.

Not that the basic Gaullist concepts have been abandoned. In his long pronouncements on the subject earlier this month, President Giscard emphasised that an independent defence policy, not least in the nuclear field, remains a fundamental tenet of French global strategy.

"Countries which cannot speak clearly on their own defence cannot speak on any other matter. In effect, they are absent from international conversations," he said.

Defence policy thus continues to be considered as an essential condition of an effective world role. What has changed is the overriding emphasis which has hitherto been placed on the independent national nuclear force as a foreign policy tool. Expenditure on nuclear weapons will still eat up as much as one-third of next year's Fr.550bn. (about 23.5bn.) defence budget, but much higher proportion will in future be spent on developing conventional forces.

The President's thinking has clearly been influenced by the growing body of military leaders, including General Méry, Chief of Staff, who believe that, while a nuclear war cannot be entirely ruled out in the foreseeable future, it is more realistic to plan for more limited conflicts. The threat of massive nuclear retaliation, already hardly credible when France is faced with the overwhelming superiority of nuclear forces of the superpowers, becomes totally irrelevant in the case of conventional conflicts, since it is taken for granted that France will never be the first to use strategic atomic weapons.

A case in point is the Mediter-

anean area. The French, who consider the Mediterranean to be, if not a national preserve, then a zone in which they have a special role to play, have long suffered under the domination of this sea by the American and Soviet fleets. Rightly or wrongly, President Giscard believes that, unless France can strengthen its military presence in the Mediterranean, its political influence in the area will remain relatively unimportant, and it will have little or no say in the solution of the Middle East conflict. As a token of his future intentions he has decided to transfer two French aircraft carriers and their supporting vessels to Toulon from their northern French bases.

The strengthening of conventional forces without a weakening of the nuclear effort naturally raises the question of whether the country can afford such massive military expenditure. In spite of all the public funds spent during the past decade on the development of the strategic missiles based on the Plateau d'Albion, the hydrogen bomb, missile-carrying nuclear submarines, and advanced military planes such as the Mirage F-1, defence expenditure, which totalled as much as 22.5 per cent. of the total budget in 1965, dropped to 17 per cent. this year. The intention is to raise this proportion to 20 per cent., with most of the additional funds going toward building up the conventional forces.

But the strain is already being felt. The increase in the price of imported oil and the additional effort being made to improve the living standards of the underpaid and discontented army vicemen has raised purely operational costs to 58 per cent. of the total defence budget. And, while the military budget as a whole for 1976 is 14 per cent. higher than the previous year, expenditure on conventional equipment has risen by no more than 10 per cent., representing a reduction in real terms if the share increase in the cost of arms is taken into consideration. One striking consequence of the rapidly growing financial burden is that the development of France's advanced combat plane, the A.C.F., has had to be drastically slowed down. Indeed, the construction of a second prototype has been completely halted for the moment.

France's independent defence policy presupposes a national armaments industry, but that is in turn dependent to a large degree on a lucrative export market. The cost of subsidising the development of sophisticated new weaponry would soon become prohibitive if foreign outlets were to shrink. Up to

now, France has been one of the world's most successful arms salesmen. Its Mirages, AMX tanks, and tactical missiles are a "two-way street" in arms traffic between the U.S. and Europe.

The French are clearly anxious not to be left out of any European deal with the Americans and bilateral talks in October between France and the U.S. on the whole subject were described by the former American Defence Secretary, Mr. James Schlesinger, as encouraging. Mr. Schlesinger said on that occasion that there was no need for France to be involved in the integrated command structure of NATO in order to participate fully in co-operation with the Alliance.

The French have continued to take part in the NATO Committee of National Armaments Directors (CNAD) and there is no obvious reason why a formula cannot be found which would permit their participation in the new independent forum proposed by the Eurogroup. Standardisation is almost as much in the French interest as in that of the full NATO members, because it is a precondition for selling military equipment in NATO markets. But economic considerations apart, it makes military nonsense for France to supply its forces with equipment which does not conform to NATO standards, now that French defence strategy has embraced the concept of flexible response and has widened its horizons to planning for conventional conflicts.

As President Giscard d'Estaing has pointed out himself, France, though it left NATO's integrated military structure in 1966, has remained a member of the Atlantic Alliance and, as such, could well find itself engaged in a conflict provoked by an attack upon another member, under either the NATO or Western European Union Treaties. It does not need a military genius to realise that in such a situation spare parts, ammunition, and at least some of the major weapons and planes should be interchangeable between different members of the Alliance.

Row over Army 'unions' expands

By ROBERT MAUTHNER

PARIS, Dec. 1.

THE French Government today stepped up its campaign against disgruntled soldiers who have tried to set up conscript unions to improve the conditions under which they have to do their military service.

One more soldier was today charged with "taking part in an attempt to demoralise the army," bringing the total number of national servicemen charged by the State Security Court to 15. The soldiers, most of whom have been imprisoned, face sentences of up to 10 years' detention.

The Government's action has sparked off a major political row with the opposition Socialist leader, M. Francois Mitterrand, accusing the authorities of "provocation," following Prime Minister Jacques Chirac's accusation that the Socialists were mainly responsible for fomenting the unrest within the army.

The Government, for its part, has somewhat changed its tune since the beginning of the affair and has now turned its guns on foreign Leftists.

Mr. Yvon Bourges, Defence

Minister, yesterday claimed that Portuguese soldiers had come to France to incite the French conscripts to revolt and other military officials have pointed an accusing finger at West German Leftists.

The French charges have been backed up by a leading member of the West German Government, Herr Wischniewski, Minister of State for Foreign Affairs, who has stated openly that Left-wing agitators had tried to influence allied soldiers stationed in West Germany.

Hungarian prices to rise again

By PAUL LENDVAI

VIENNA, Dec. 1.

FOR THE third time within a year, the Hungarian government has announced massive price increases for a wide range of food and consumer products.

In a bid to reduce the burden of growing budgetary subsidies, as of today the price of sugar was raised on the average by 50 per cent. Though tinned products with sugar content and confectionary prices will remain unchanged, pastries will cost more.

As of January 1, prices for those building materials which were not affected by the latest price hike last August will go up on average by 23 per cent. Paper and stationery will cost 10 to 15 per cent. more, while furniture prices will be revised upward by 3.4 per cent.

Furthermore, services from postal fees to communal charges will also be increased.

By far the most important price increase is that for meat and meat products. The Government revealed that the average increase will be 33-38 per cent. and the new prices will come into effect on July 1, next year. The Government communiqué hinted that prices for meat will be raised even more steeply, while those for poultry and fish will be increased less. As Hungary is a nation of pork eaters, the price hike will be a severe blow to the lower-medium income groups, even though simultaneous wage and salary adjustments have also been promised.

The price increases are in accordance with the Government's policy of moving towards

GERMAN ORDER BOOKS DOWN

By Nicholas Colchester

BONN, Dec. 1.

THE latest seasonally adjusted order figures for West German industry show that there was a downturn in the flow of orders in October, particularly from abroad.

Only in the consumer sector did the indices continue the rise which over the last two months has been seen as evidence that the economic climate was improving.

After processing by the Bundesbank for seasonal fluctuations, today's figures show that overall demand fell slightly in October, taking the order index down from 137 in September to 136 in October, but still exceeding the 127 recorded in August.

Business with pleasure by French Railways



We have to admit that we're proud of having the fastest trains in Europe. But don't think that just because we've run trains at over 200 km/h that speed has gone to our head - there are other factors we consider just as important.

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the hairdressing salon seems frivolous to you, there's a secretary ready to take dictation, so there is no excuse for leaving your urgent correspondence behind in your office.

When you're really short of time, may we suggest an overnight journey by sleeper - London to Paris by Night Ferry, perhaps?

A comfortable bed, a good night's sleep and the kind of personal service that you may think went out with the golden age of the Orient Express.

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FT/12/72

OVERSEAS NEWS

Israel rejects Security Council's move on PLO

BY OUR FOREIGN STAFF

THE ISRAELI Government yesterday rejected any United Nations Security Council move to invite the Palestine Liberation Organisation to take part in a Middle East debate next month. But at the same time the Government agreed to abide by the disengagement agreement on the Golan Heights, where the UN peace-keeping force's mandate has been extended by six months.

The Security Council decision to link an extension of the mandate to an agreement to debate the Middle East question brought an angry response in Jerusalem, where a communiqué after a 61-hour Cabinet meeting described the move as "a surrender to Syrian blackmail".

But in Cairo and Damascus the decision was officially welcomed, although there is still no clear commitment from the UN to invite PLO representatives to take part in the debate.

In Beirut, the PLO hailed the decision as a "triumph".

Egypt to-day took back control of the AB Rudeis area in Sinai with a discretion surprising even by the lack of emphasis which has come to mark the implementation of the September agreement with Israel, writes Michael Tingley in Cairo.

The fields were handed over yesterday by Israel to the UN forces who, in turn, passed over control of the territory after eight years of Israeli occupation.

followed as it was by a declaration from the Security Council president, Mr. Yakov Malik of the Soviet Union, that the PLO would be invited to attend the debate.

Our United Nations Correspondent adds: Only hours after the Security Council in effect endorsed the PLO's claim to full participation in Middle East negotiations, the General Assembly to-day began its debate

on the Arab-Israeli conflict. Although two meetings were scheduled for to-day, only one was held and the only speaker, the Syrian delegate, Mr. Moufak al-Allof, addressed a sparse audience. Referring to last night's vote in the Security Council to extend the mandate of the UN buffer force in the Golan Heights, he served notice that Syria would not agree to indefinite renewals, which would, he claimed, give Israel a defence of the Geneva conference.

Both the PLO and Syria are known to prefer now that the discussion on a Middle East settlement should take place in the Security Council itself instead of at the Geneva conference.

The council's resolution last night linking the extension of the UN mandate in the Golan Heights to a debate by the Council of the Middle East problem, including the Palestinian question, was the result of close Syrian-Palestinian co-ordination.

Editorial Comment, Page 16

MPLA troops 'capture weapons'

BY OUR FOREIGN STAFF

WHILE THE overall situation in the Angolan war remains confused, reports appearing in the Soviet Press suggest that the Russian-backed MPLA is continuing its attempts to push back both FNLA and Unita forces.

According to the official Soviet news agency, Tass, MPLA forces have taken the eastern town of Canguem, strategically situated on the Benguela railway to the west of Vila Lusó. According to Tass, Canguem is the main military base of the rival Unita, and "vast amounts" of weapons were seized.

Meanwhile, although there is little news from other fronts within Angola, members of the rival liberation groups continue to canvass support abroad. In Lagos, MPLA's Prime Minister Lopes do Nascimento, quoted as saying before he left Angola that he was to discuss "the help" Nigeria can extend to MPLA, yesterday had talks with Nigeria's military administration, which announced its recognition of MPLA last month.

In Rome, where they were attending a world conference of Christian Democrat parties, two

members of the FNLA political bureau denied reports that FNLA had anything to do with the South African troops now in Angola. Sen. Barreto and Sen. Moyo said that the South Africans had been brought in by Unita, not FNLA.

In Kampala, Dr. Holden Roberto, head of the FNLA, also said that reports that there were South African mercenaries in his army were a smear campaign.

In a message to President Idi Amin, current chairman of the 46-nation Organisation of African Unity (OAU), which was released here to-day, he said that an OAU mission to Angola last month found no evidence of any South Africans.

A South African Air Force reconnaissance plane has disappeared over Angola. Defence Force headquarters announced in Pretoria yesterday. The unarmed aircraft's disappearance has produced the first admission by South Africa that its planes are flying spotting missions over Angola.

Previous South African defence force statements have referred to deaths in ground action against South West Africa People's Organisation (SWAPO) guerrillas, a nationalist group fighting against South Africa's presence in the territory.

Military chiefs in Pretoria have admitted that South African troops are deployed inside Angola around the water pumping station at Caluque, about 20 miles inside Angola.

In Washington, the State Department has acknowledged that U.S. weapons might be reaching Angola from neighbouring Zaire. But a spokesman insisted the U.S. was not directly assisting any side in the Angolan civil war.

Yesterday's Pravda said that M. Couve de Murville told the Beirut newspaper Orient-Jour that he was to discuss "the help" Nigeria can extend to MPLA, yesterday had talks with Nigeria's military administration, which announced its recognition of MPLA last month.

In Rome, where they were attending a world conference of Christian Democrat parties, two

Lebanon Cabinet talks

BY HISAN HIJAZI

BEIRUT, Dec. 1.

CONSULTATIONS began here to-day on choosing the Lebanese Cabinet as a first step towards the proposed national reconciliation for ending the eight-month-old national strife.

Prime Minister Rashid Karamei was meeting with President Suleiman Frangieh after holding contacts with a number of political leaders. The word in political quarters is that an 18-man line-up is envisaged to replace the present 16-member Cabinet which Mr. Karamei formed five months ago.

The political sources do not expect the enlargement to be easy. Names of politicians tipped to enter the Cabinet are traditionalists, while Leftists have insisted on a "more progressive" Government.

Socialist leader Kamal Jumblatt was reported in the Beirut Press to-day to have demanded the chance to be "a share of power brought on by

months of factional fighting required that half the Government seats should go to the Leftists. The demand is rejected by Rightists, who have repeatedly maintained that they were not defeated in the field.

Reuter adds from Moscow: The Soviet Communist Party daily Pravda has lent its weight to Lebanese Press charges that former French Premier Maurice Couve de Murville interfered in Lebanon's internal affairs by remarks he made during his recent visit there.

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In Rome, where they were attending a world conference of Christian Democrat parties, two

Chinese warning to Ford on Russia

PEKING, Dec. 1.

CHINESE Vice-Premier Teng Hsiao-Ping to-night told President Ford that rhetoric about detente could not hide the growing danger of world war.

Speaking at a welcoming banquet for the President, Mr. Teng made clear China considered the struggle against Soviet hegemony more important than normalisation of its relations with the U.S.

Mr. Ford, who arrived in Peking at a welcoming ceremony, listened intently as the Vice-Premier alluded to Moscow as "the most dangerous source of war." He did not refer directly to the U.S. detente with the Soviet Union, but said it was in the world interest to dispel illusions of peace.

"Rhetoric about detente cannot cover up the stark reality of the growing danger of war," Mr. Teng said.

Mr. Ford replied later with a firm statement that Washington would continue to strive both to reduce the dangers and to explore new opportunities for peace. The U.S. would try "to achieve a more peaceful world even as we remain determined to resist any actions that threaten the independence and well-being of others," the President added.

The familiar Chinese warning about detente came a few hours after Mr. Ford arrived here on a five-day visit aimed at improving the sagging Sino-U.S. relationship.

Reuter

Pessimism in Rhodesia over talks

By Tony Hawkins

SALISBURY, Dec. 1. FOLLOWING the signing to-day of the Declaration of Intent to negotiate a Rhodesian constitutional settlement, sources close to the Rhodesian Government were pessimistic about the outcome of the actual constitutional talks, now unlikely to start until the New Year.

Mr. Ian Smith and Mr. Joshua Nkomo, leader of the Rhodesia-based wing of the African National Council, signed the joint declaration.

It was announced soon afterwards that the two delegations would meet again next week to finalise arrangements for the first plenary session of the planned constitutional conference. However, informed sources said it seemed unlikely that full scale talks would get under way before the Christmas holidays.

The declaration of intent consists of eight points—seven of which were agreed by the full ANC prior to its September split at the Victoria Falls on August 25—while the eighth refers to immunity for certain exiled Nationalist leaders to attend the talks. The venue for the talks has not been agreed but seems certain to be Salisbury itself.

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THAILAND AND INDOCHINA

Détente on trial

BY RICHARD NATIONS, IN BANGKOK

TWO INCIDENTS on Thailand's border with its Communist neighbours, Laos and Cambodia, are indicative not only of Thailand's mixed success in adjusting to the post-Vietnam era, but also of the wider power alignments taking shape throughout South-east Asia in the wake of the U.S. troop withdrawals.

The long-simmering tension between Thailand and Laos erupted into an open battle along the Mekong River on November 17. It lasted for three days. On the same day, in a Cambodian border town, the Thai Foreign Minister, Chatichai Choonhavan, embraced the Cambodian Deputy Premier Lang Sary, ending a ceremony which marked the opening of liaison offices in twin border towns and the signing of a trade agreement between the two countries.

These events threw into sharp relief the differing responses the Thai Prime Minister, Kukrit Pramoj, has received to his appeal for friendly relations with Thailand's Indo-Chinese neighbours, as his country winds down the U.S. military presence here. As relations with Laos conclude to deteriorate, those with Cambodia have been normalised with unexpected ease. Western diplomats in Bangkok conjecture that the key to this confusing picture lies in North Vietnam's ill-obscure intentions towards Thailand, plus the notably different degree of influence Hanoi exercises over "fraternal parties" in Vietnam and Phnom Penh. But closely behind these factors there are the rapidly changing roles of the U.S. in the region, and vigorous Sino-Soviet competition to fill the vacuum left by the departing Americans.

The Kukrit Government has adhered faithfully thus far to its commitment last March to remove all American troops from Thailand in a year's time. This policy has thrown the military into consternation. Just at the moment the "enemy" comes to power in Indo-China, American forces which most Thais were told were here to protect them from the Communists are steadily

fading away. None the less, U.S. disengagement from Thailand was essential to open the way to a whole new Thai approach to foreign policy.

In July Kukrit visited Peking and established diplomatic relations, resolving such contentious issues as the "two Chinas" policy of the past, and the status of the overseas Chinese, more smoothly

occasionally in Bangkok with China improving relations with China and Cambodia was quickly dispelled by the harsh propaganda from Hanoi and Vientiane, punctuated by frequent Pathet Lao gunfire across the Mekong. Hanoi continues to heat up the issue of abandoned war material left behind in Thailand by the departing Thieu forces. The

border incidents along the Mekong.

The Thais have tried to reduce sources of irritation by removing Lantian right-wing generals, France, offering aid, and facilitating transit of goods bound for land-locked Laos through Thai ports. But these gestures have been greeted by little more than abuse, and border clashes with the Pathet Lao. While the Thais campaign certainly hopes to consolidate Pathet Lao control by diminishing the pervasive historical and commercial influence of Thailand in Laos, it has served North Vietnamese interests by keeping the border porous and unstable. Arms continue to flow in Thai insurance, and Kukrit is under fire from his own right-wing critics who allege that his detente policy with the communists has failed.

Some diplomats believe the current crisis with Laos may mark a turning point in Kukrit's policy of detente, as the refusal of the Laotians to negotiate enhances pressure from the Right to make no further concessions to Hanoi, particularly on disposition of U.S. military installations after the troops have gone home.

Some observers feel that it is not just the success of Kukrit's detente policies which is hanging in the balance, but the survival of Thailand's parliamentary experiment, if Hanoi and Laos remain at a hostile distance. So far Prime Minister Kukrit has done an admirable job of getting the Left and Right extremes of Thai politics to co-exist in a parliamentary system.

If the region gets locked into two opposing alignments—Moscow-Hanoi-Vientiane on the one hand, and Peking-Phnom Penh-Bangkok on the other, an American analyst remarked, "the polarisation outside cannot help but upset the political balance inside Thailand."

The Thai military, still the most powerful force potentially in Thai politics, will no doubt be in the short run, if Prime Minister Kukrit's success in sustaining political turbulence at home is not matched by similar foreign policy successes.

"As relations with Laos continue to deteriorate, those with Cambodia have been normalised with ease."

than was done by other South East Asia Governments. The path to a wider regional detente seemed cleared.

The first pay-off of good relations with Peking was help with easing tensions between Thailand and neighbouring Cambodia. After six months of silence from Phnom Penh, contact was made with Lang Sary to arrange a visit to Bangkok, his first to a non-Communist capital. "The Khmer Rouge are close to Hanoi ideologically, of course," one Western diplomat commented, "but as traditionally non-aligned Cambodians, they would feel more comfortable with good relations with Thailand to balance Hanoi's dominant power in the region."

The Chinese presence was evident throughout Tung Sary's visit to Bangkok. The chargé d'affaires of the Chinese embassy sat in on all the important discussions which led to the decision to exchange envoys and develop trade between Thailand and Cambodia. And indeed China can only view strong relations between these two neighbouring countries as consistent with its overall interest in insulating the entire region from "super power" dominance, primarily the Soviet Union's, which currently gains influence in Indo-China in stride with Hanoi.

But the euphoria generated

Toyko plan to end strike

BY CHARLES SMITH

TOKYO, Dec. 1.

A FIVE-POINT plan for ending Japan's six-day-old general transport strike was put forward this afternoon by the ruling Liberal Democratic Party. The plan includes a proposal for revising the 1948 law outlawing strikes by public sector workers (the issue on which the unions are striking). "If necessary"—but this is not thought likely to be accepted by the unions as an adequate Government concession.

The union reaction to the package, however, will not be known until the Liberal Democratic Party's five points are formally incorporated in a government proposal on the strike issue.

The strike, which involves postal, telephone and other public sectors, as well as the national railway network, has already outlasted any previous post-war Japanese transport strike by three days, and could now go on until the end of the week.

Tokyo and Osaka commuters have continued to get to work on private railways and underground services which are unaffected by the strike, but these have been grossly overloaded and there have been daily reports of injuries to passengers on trains filled to 200 or 300 per cent of normal capacity.

Soviets back Asian stability

BY K. K. SHARMA

NEW DELHI, Dec. 1.

THE SOVIET Union has come out strongly against any "negative trends" in the Indian sub-continent that might affect peace and stability in South Asia. This was conveyed to the Indian delegation to Moscow that returned here on the week-end.

The Russian view is shared by India, informed sources said. Although Bangladesh was not mentioned by name, the reference is obvious.

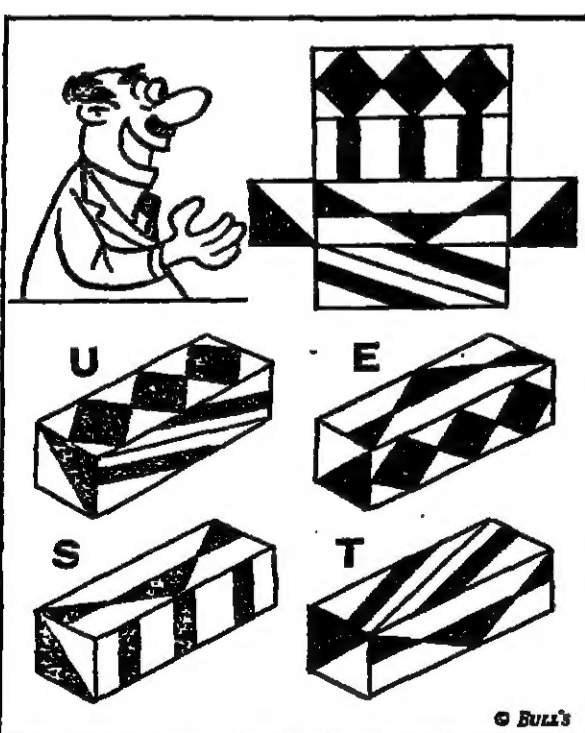
The two sides are believed to have discussed the Brezhnev proposal for an Asian collective security system on the recent Helsinki model, but no details are available. This indicates that the proposal is still being studied and not ready for acceptance by the Indian Government.

Interest in the Indian economic programme because it regards "an economically strong and politically stable India as a vital factor for peace."

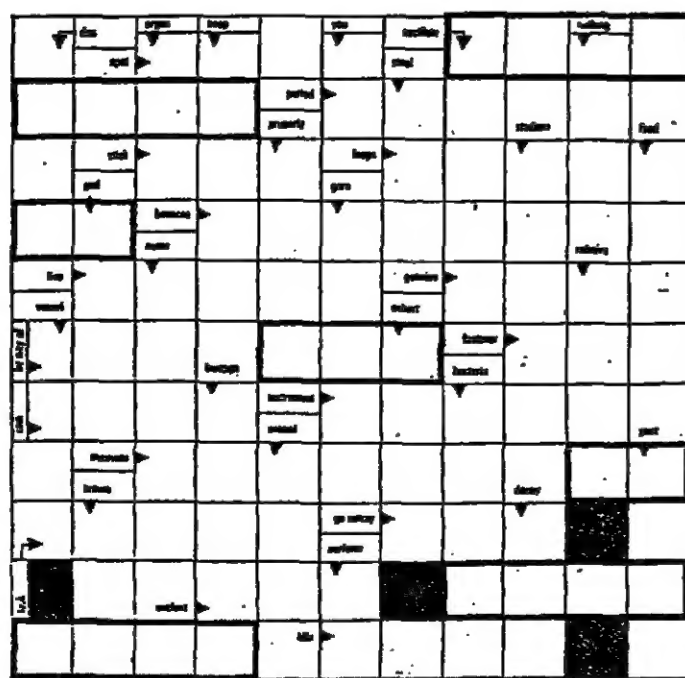
The two countries have agreed to double bilateral trade by 1980. Another meeting of the Indo-Soviet Joint Commission is to be held next month to discuss production co-operation. Russia has offered considerable aid for various new production, including an alumina plant on the eastern coast.

Britain is to give a further \$91.2m. as grant aid to India, bringing the total agreed during the past week to more than \$100m. This follows the decision that India will get all British aid as a grant and not, as in the past, as soft loans.

A couple of hours' entertainment for anyone who prefers to go by rail.



By folding the upper figure you get a box that looks like one of the four below. Which one?



DODGY DIGITS

This sum was originally perfectly correct, until Johnny came along and switched around one pair of digits. Then Mary switched another pair and this is the result. What was the original, correct, sum?

$$\begin{array}{r} 2611 \\ + 5863 \\ \hline 8744 \end{array}$$

TELESCOPES

ONCE COMEABLE looks as if it might be a word, but it isn't. It is the three words ONCE, VALE and COMB run together. The words are jumbled but the letters of each word stay in the same order. Which three four-letter words combine to make these words or almost-words?

- 1: DUNABOUTOWN
- 2: FRATERNOSING
- 3: COBRADICTER
- 4: PATERNOSTERS
- 5: PROGRAMABLE
- 6: COSMOPOLITAN

THE SAME ONLY DIFFERENT

There are ten discrepancies between right-hand and left-hand picture. Find the mistakes.

Copyright by "Bull's Pressings" and "Games and Puzzles".

The small square shows a pattern that fits into one of the three big boxes. Which one?



WORD SUMS

In these three sums each letter stands for one of the digits 0-9, excluding 1, 7 and 8 which only appear, as themselves, in the last line. Naturally, each letter stands for the same digit every time it appears. What are these sums, in numbers?

$$\begin{array}{l} \text{BAT} + \text{TAB} = \text{DID} \\ \text{PIT} + \text{PAD} = \text{BRA} \\ \text{BAT} \div \text{A} = 178 \end{array}$$

If, on the other hand, you think such entertainment is childish, crosswords are for squares, and your problems are more challenging than brain twisters, let us recommend the perusal of our Swissair timetable. Or simply ask your nearest Swissair or



LIMERICK CODE

This is a simple code, or cypher. Each letter of the alphabet has been replaced by the same letter of the alphabet. Just to get you off to a good start, we have left the original spacing between the words and the original punctuation. Oh, and the message is a Limerick.

CJTIES RFS DMME VME QLS
WROB, QLSF IQMC PMJ VME
DMOBD OMBES, IM XLSB QLS
DEPMHT VMPQBD, RBE LSF
VRQLSF OF BMFOBD, DMKE
CJTIES RI PMJ IOC PMVE
NLRHCRDS!

Arrange the figures 1 to 5 in the blank squares to give the totals shown in the right-hand column and on the bottom line.

						7
						2
						3
						4
						7
5	3	7	3	5	8	



Say you're rolling through Europe by rail. You've read the paper; scanned your report; taken in the scenery. You've savoured the food; devoured the detective story; taken a snooze. Finally you order a beer and a sandwich from the train attendant

and still you find yourself with a couple of hours to go before Vienna, Brussels, Copenhagen, Rome, or Hamburg. How about putting in the last stretch on some brain teasers devised by Swissair for keen-witted train travellers?

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Midland Bank International



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HOME NEWS

Scottish Labour to launch campaign on devolution

BY CHRIS SAUR, SCOTTISH CORRESPONDENT IN EDINBURGH

FOLLOWING publication of the maximum devolution will prob-

Government's proposals for a referendum to qualify its

Scottish Assembly last week, the Labour Party in Scotland is

planning to mount an attack on the Government's proposals do not

the Scottish Nationalists, with a two-month campaign on the issue

"devolution or separation."

The campaign will culminate with the party's annual Scottish

conference in March when delegates are expected to endorse the

Government's White Paper proposals.

A secondary reason for the campaign is to assess grass roots

reaction to the White Paper among Labour supporters.

Party officials are anxious to find out how much support there

is for Labour MPs who want to strengthen the proposals.

Even before the poster and leaflet campaign begins on January

16, there will be opportunities to test the mood of the Party hierarchy.

The policy committee of the Scottish regional executive meets

on Saturday. Supporters of

Greater powers

A conference on the issue will be held on December 12 by

members of the Scottish executive

and party representatives from about 20 "key marginal

constituencies."

Party officials expect Labour to back the White Paper in Scot-

land, since in almost all respects it follows the proposals put to the

Government by the party after last year's Scottish conference.

But they are not so sure whether the support will be

qualified and, if so, how heavily.

Mr. James McGonigle, the Scottish

sewing secretary, acknowledged that the "ground

might have shifted" since last year's conference towards support

for greater powers.

"If it has, the campaign will enable us to discover how far

it has shifted."

A tactical split is emerging among those who support greater

powers for the Assembly.

Mr. John Macintosh, MP for Berwick and East Lothian, says

the White Paper proposals should be accepted as a foundation

on which to build other significant powers later.

However, Mr. James Sillars, MP for South Ayrshire, feels that

to endorse and campaign for the White Paper would represent a

retreat from election pledges.

Fidelity winding-up adjourned for appeal to Protection Board

BY ERIC SHORT

THE PETITION for the winding-up of Fidelity Life Assurance

was adjourned until mid-January in the High Court yesterday.

Announcing his surprise decision, Mr. Justice Oliver said

it was to allow the company to apply to the Policyholders

Protection Board for financial assistance.

The original petition for the liquidation of Fidelity Life was

presented in July by Mr. Peter Shore, the Trade Secretary. This

followed the refusal of the parent company, Fidelity Corporation of

Richmond, Virginia, to put up the additional capital necessary

to meet the Department of Trade's solvency requirements.

In court, Mr. Peter Millett, representing the corporation, agreed that Fidelity Life was in

financial trouble. The only concern now was that policy-

holders should get 100 per cent of their entitlement. The parent

was prevented from putting capital into its U.K. subsidiary

by the regulations governing insurance firms in the U.S.

Under sections 16 and 17 of the Act, the Board has powers

to arrange for the continuance of the business of an insurance

company in financial difficulties, such as provisional liquidation.

The object of this application is to provide 100 per cent protection for policyholders, but it

has to be shown that such measures would neither benefit the shareholders nor cost any

more than if the company was put into liquidation. In the latter

case the policyholders under the Act would receive only 90 per cent protection.

Mr. Martin Polden of Polden, Bishop and Gale, solicitors to Fidelity Corporation, said last

night he had already made an application to Mr. Smith on

behalf of Fidelity Life. He emphasised that it was the particular

circumstances of Fidelity Corporation that imposed

certain limitations on the free movement of capital from the

parent to Fidelity Life, not a general ruling.

Philips doubles dishwasher market share

By Lorne Barling

PHILIPS ELECTRICAL yesterday

day claimed to have more than doubled its share of the U.K.

dishwasher market since the start of the year, although the

market has shrunk by about half.

The slump in demand for dishwashers—a market from which

Hoover and other major manufacturers have withdrawn

recently—is blamed on the over-optimistic situation, in which

they have come to be regarded as more of a luxury item.

Nevertheless, Philips said that it had increased its overall

market share from 4.5 per cent at the start of the year to 12.5

per cent in October.

Profits call by food and drink industries

By Donald Maclean

HIGHER profits margins are required by the food and drink

industry if it is to play "its full and proper part in the plans

for expansion of domestic agriculture," the Food and

Drink Industries Council says in its response to the Govern-

ment White Paper, Food from Our Own Resources, published in

April.

The council agrees that U.K. farming resources could be

used to yield production figures similar to those set out

in the White Paper, showing possible levels by 1980, but

says there is a danger of "agricultural and industrial re-

sources falling out of gear."

The White Paper is seen as "an essential step towards

restoring the confidence of farmers," but the food and

drink industry believes that "the confidence required for

investment can only come from an improvement in the indus-

try's profit margins."

According to a council survey of 26 food manufacturing

companies, profit margins fell from 5.6 per cent to 2.6

per cent in the period 1962-74, while the return on capital

invested, before tax, fell from 14.8 per cent to 11.5 per cent.

Food and Drink Industries Bulletin No. 1, Nov. 1975.

'Little hope for saving manpower in Ministries'

By Adrian Hamilton

DESPITE detailed investigation, a study by the Civil

Service Department into manpower saving in the major

Government Ministries has concluded that there is little scope

for saving on personnel without actual changes in policy.

The survey, the Commission confirmed yesterday, has been

carried out by a team set up for the purpose earlier this year

and has concentrated on the main labour-intensive Department

such as Health and Security, the Defence Ministry and the

Board of Inland Revenue.

The study is regarded by the Department as an internal one

and its findings have not been announced. But they are

reported to suggest that there is little scope for savings

through staff-shedding over and above what changes in defence

and other policies might suggest.

The Civil Service Department has also been considering ways

of meeting mounting public criticisms of the way in which

salaries are recommended by the Pay Research Unit and the non-

contributory pensions scheme of the Civil Service.

At this stage, a spokesman stressed there is no formal

report but officials are known to be thinking of introducing

pensions contributions in the Civil Service.

There are also suggestions that an outside committee might

watch over the way in which the Pay Research Unit calculates

the relationship between Civil Service and private industry

salaries. The unit's work is supervised during the operation

of the wage restraint policy and the changes are being considered

during this time.

IN BRIEF

Power cuts

The electricity supplies of some 120,000 consumers out of 17m. in

England and Wales were disconnected in 1974-75, because of

arrears of payment. Gas disconnections during the same period

totalled 94,872 consumers out of a total of some 98m. This was

stated yesterday by Mr. John Smith, Parliamentary Under-

Secretary of State for Energy, in a written Parliamentary answer.

Legal intrusion

There had been too much intrusion into business matters by laws

which were often ill-prepared and drafted in incomprehensible

language, declared Lord Limerick, President of the Association of

British Chambers of Commerce, in Liverpool yesterday.

Haulage dearer

Road haulage rates are going up between 12 per cent and 17 per

cent in the Hull area in the New Year because of wage and subsistence allowance increases for

TV claim

The fourth television channel should be given to the producers

and directors, the Annan Committee on the future of broadcasting

was told yesterday by the Association of Directors and Producers.

Book exports

Concern was expressed by Glasgow Chamber of Commerce

yesterday over the future of book sales to the U.S. as prices there

are now little higher than in the U.K. and, in some cases, lower.

Long range weather forecast

VARIABLE weather during the next 30 days is forecast by the

Meteorological Office. There will be average frequency of frost,

snow and gales. Fog is more probable during the first half of

December. Mean temperatures are expected to be below average in

eastern Britain and about average in western areas.

Energy Department advisers back £1m. Earth heat probe

BY DAVID HSHLOCK, SCIENCE EDITOR

A DEPARTMENT OF ENERGY "think tank" has suggested that

about £250,000 might be spent by the Government in exploring

the possibility of using the Earth's natural heat, for space

heating for instance.

But in recommending such studies, the scientists make it

plain that geothermal energy is likely to make only a very small

contribution, no more than 0.5 per cent, to Britain's energy

requirements by the end of the century.

The recommendation comes from the Energy Technology

Support Unit, set up at Harwell by the Energy Department last

year to help plan its long-range strategy for energy research and

development.

In its first public report last week (Financial Times, Novem-

ber 27) the unit estimated that even if Britain could afford to

pursue vigorously all the so-called "benign and renewable"

energy options—wave, tidal, wind, solar and geothermal—they

would amount to no more than 6 to 8 per cent of estimated

energy demand by the year 2000.

The unit estimates that wave power might generate as much

as 3 per cent, (as electricity) of energy demand by that date, said

with wind and tidal power providing 2 per cent, more apiece.

Solar and geothermal sources, which would provide their

share in the next few months.

Dr. Walter Marshall, chief scientist at the Energy Department, admitted last night that

although "geothermal energy" "certainly doesn't excite the

imagination as much as wave power," he fully endorsed the recommendations

of the three non-nuclear energy alternatives studied by ETSU in

detail—wave, tidal and geothermal—wave energy was the

most promising and geothermal the least promising, he said.

The Department of Energy would publish the support unit's report on geothermal energy, he

said. The unit would make more detailed studies of the possibilities of solar and wind energy

in the next few months.

Printing Industries Federation has urged the Government to

seek the full 5 per cent, increase allowable under the EEC agree-

ment, forcing that the full requirements will not be met by the home industry.

The countries concerned, mainly in Scandinavia, are believed to have agreed reluctantly

to a reduced overall level, although the printing industry has

expressed concern in particular over printing and writing

papers.

The BPIF said yesterday: "There is clear justification for

higher quotas for printing and writing papers, particularly

those for which the 1975 quotas were exhausted early this year."

There is now considerable pressure, as voiced by Mr. John

Oyendend, Labour MP for Gravesend, in his Commons questioning

for devising a quota system which will relate to demand in the home market.

The British Paper and Board Industry Federation and the BPIF have also recognised the

problem and have set up a joint working party to discuss means

of equating demand and supply.

On the other hand, the British

Councils plan bigger transport subsidies

FINANCIAL TIMES REPORTER

DESPITE Government advice to scale down fares subsidies, local

authorities are proposing to increase their revenue support for

bus and rail services by more than 80 per cent in 1976-77.

A total of £188m. has been earmarked for public transport subsidies next year in proposals

submitted by county councils in England and Wales to the

Government.

This figure, in November 1974, prices, compares with estimated

spending of £124m. this year. It is more than double the £91m.

"limit" called for by Mr. Anthony Crosland, Environment

Secretary.

The biggest spenders, accounting for about 35 per cent of the proposed fare subsidies, are the

posers and, for the allocation of large urban authorities. The

grants to individual authorities.

Greater London Council proposes to devote £99m. to fare support—more than 40 per cent of its total transport budget and more than the Government's "ceiling" for revenue support for all England and Wales.

These figures, which emerge from an analysis by the British Road Federation, form part of the counties' bids for a share of the Government's £225m. transport supplementary grant in 1976-77.

They are budgeting for a basic spending on highways and public transport services of £82m. in 1976-77. The Government is expected to decide later this month on the level of spending to be accepted for grant purposes and, for the allocation of large urban authorities. The

charge shown is for a 60 second call.

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Monthly Saving	VALUE OF INVESTMENT assuming the continuance of the current rate of 8.25%, at the end of a period of				
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	£	£	£	£	£
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2	52.28	113.74	185.98	270.90	370.72
5	130.70	284.34	464.91	677.24	926.80
10	261.40	568.68	929.89	1354.48	1853.59
20	522.81	1137.37	1859.78	2708.97	3707.18
40	1045.62	2274.74	3719.56	5417.93	7414.36

HOME NEWS

CBI president seeks limits on public sector spending

BY ADRIAN HAMILTON

A RENEWED attack on the for our overdrawn public spend- ing "horrible" rise in public ing. Calling for the freeing of more resources "for wealth-producing activities," Sir Ralph said industry would be looking to the Government for action to follow up last month's Chequers meeting.

Speaking to the Coal Industry Society, he suggested that public expenditure, which had grown from 30 per cent of the sector spending were essential, GDP in 1950 to 50 per cent last year, was likely to reach nearer 60 per cent this year.

The big question facing Britain in 1976 was whether the country was "to reduce public expenditure and public employ- ment levels or are we to en- courage those in industry and the financial and service worlds to generate more wealth to pay

the cost of the public sector. The Government should also "exert its maximum influence through the rate support grant and in other ways to keep down local spending," he said.

Sir Ralph demanded the aboli- tion of the Price Code, "that

enemy of investment and creator of unemployment," and the reconsideration or delay of such measures as the capital transfer and wealth taxes, nationalisation of aerospace and shipbuilding and the Community Land Act.

"All these costly and highly irrelevant measures are clogging up the works and standing in the way of new investment and more jobs," he argued.

Among Sir Ralph's predic- tions: Perhaps 1.2 per cent growth in GDP during 1976; con- tinuing deficit on the balance of payments; an increase in unem- ployment to between 11-13m. by the end of the year and reduction of inflation to around 10 per cent, by this time next year.

British Gas urged to stand by pledge to freeze prices

BY RAY DAFSTER

THE National Gas Consumers' Council has urged British Gas to stand by its pledge to peg prices until at least next October.

British Gas is negotiating new contract prices for the supply of gas from southern fields in the North Sea. It is understood that the first of these agree- ments have been for increases of about 30 per cent.

The Consumers' Council said that irrespective of these nego- tiations British Gas would be expected to peg prices, particu- larly in view of the two substan- tial tariff increases this year.

Mr. John Evans, the Council's director, said that normally the organisation was given plenty of warning about gas prices. As late as October 31 it had been

duced the latest price increase in October, it said that it intended to peg prices for 12 months, provided the Govern- ment's anti-inflation policies worked. Since then, however, the corporation has faced increasing labour, capital and rating costs.

The industry is expected to be financially self-sufficient from the end of the year.

More Home News
Page 25

Allow for inflation in accounts, brokers argue

ADJUSTMENT for the general level of inflation should be included as a part of the basic accounts of companies under the new inflation accounting system, rather than being relegated to the position of supplementary information, particularly on monetary assets and liabilities.

De Zoete and Bevan, examine the records of "fictitious, but realistic," companies over the last six years. Though all three show a steady return on current cost capital, their current-cost trading profits show widely differing fluctuations.

"The resultant figures appear to be of no value in assessing the relative profitability or growth of the three companies," the brokers conclude.

De Zoete and Bevan argue that "whatever the steering group proposes it is vital that the field tests should include a detailed analysis of the use- fulness of the figures to the investor and the consequent effect on the ability of companies to raise money in the capital markets."

Going further than the Stock Exchange or most other critics of the Sandilands proposals, the brokers maintain that adjust- ment to the value of share- holders' capital should not be "relegated to a subsidiary posi- tion."

Record exports for aerospace industry

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ON THE eve of today's critical second Reading of the aerospace industry nationalisation Bill, the industry of British Aerospace companies said that the industry's exports were at the record level of over \$563m. for the first ten months of the year.

In the full year aerospace exports may exceed last year's record of \$631m. by as much as \$150m., to give a total of nearly \$800m.

Analysing the figures, the society said that exports of air- craft and parts accounted for nearly \$290m. in the ten months, with exports of engines and parts amounting to \$210m.

The SBAC hopes that Opposi- tion MPs will use these new figures for aerospace exports as evidence for the case for keeping the

Tax allowance increased in Guernsey

BY OUR OWN CORRESPONDENT

GUERNSEY, Dec. 1.

PERSONAL TAX allowances are local MPs are being asked to be improved in Guernsey limit additional Government following a year in which capital expenditure until the end of 1975 to a total of £2m.

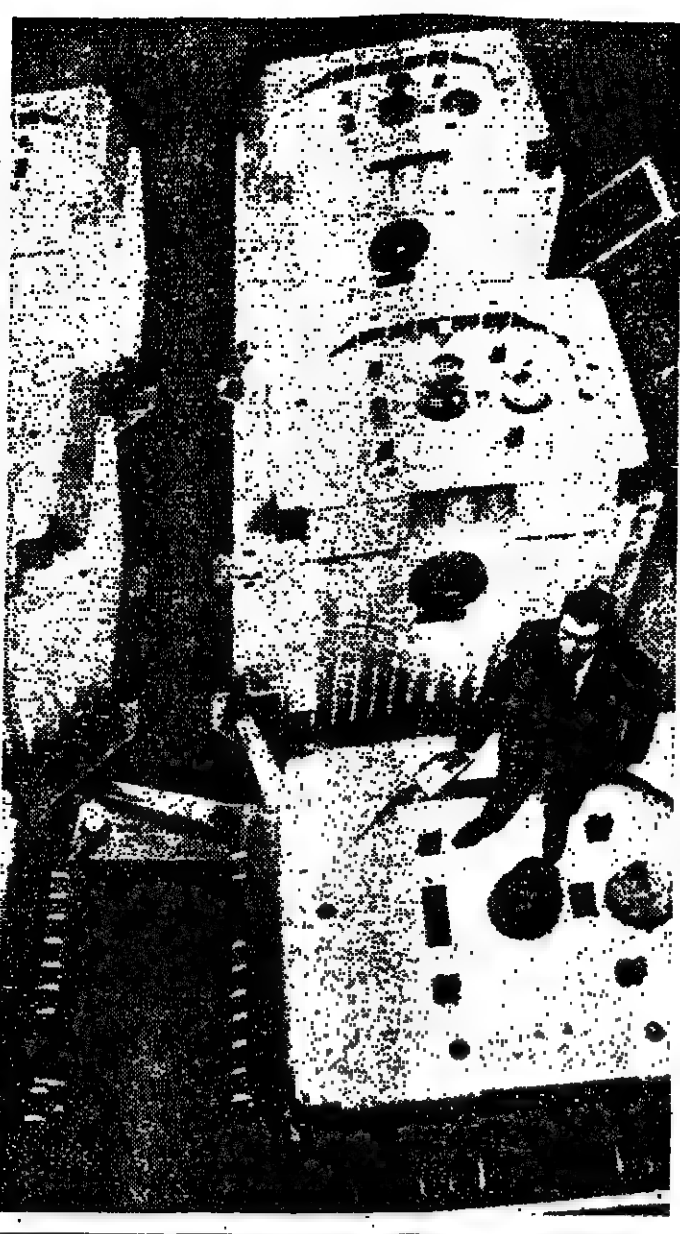
The budget shows that this produced an unexpected extra £3m. year - Guernsey's ordinary The island's advisory and income was £18.5m. of which finance committee, which pub- £11.4m. came from income tax - shed Guernsey's annual budget £3m. more than originally day, is also recommending no estimated.

A warning about the island's rate of income-tax, and escalating Government pay and increases in indirect taxation, pensions bill is repeated. Next Guernsey's new tax allowances year, according to the report by all permit single people to earn the Guernsey's Government, 1,000 instead of 1900 a year ordinary expenditure will be more tax, and married persons £17.7m., of which at least £8.9m. ith, for example, two children will be spent on salaries, wages and superannuation against the 2,300 instead of £1,550.

The cost of the improvements, comparative figure of only £5.4m. hich are expected to live in 1974.

The budget proposals are approved by the Island Parlia- ment on December 17, is put at already being seen here as an integral part of the Guernsey 1975/76.

However, because of what are anti-inflation "package" which scried as "uncertain times," is being formulated.



Nuclear cargo

The Pool Fisher arrived in Barrow yesterday with a cargo of spent nuclear fuel from the reactors of ENEL, the state-owned Italian electrical utility. It was the 44th such cargo to arrive in the U.K. The 20 tons of spent fuel aboard will be chemically reprocessed at the Windscale factory of British Nuclear Fuels under a contract estimated to be worth "several hundred thousand pounds."

Plutonium separated during reprocessing will be purified and returned to Italy under international and Euratom safe- guards.

With a geiger counter in his hand a British Nuclear Fuels employee checks the lead-lined steel flasks containing the nuclear waste.

The Pool Fisher's cargo brings to more than 500 tonnes the spent fuel sent by Italy to Britain for reprocessing since 1968. Mostly this has been magnox (natural uranium) fuel from ENEL's Latina reactor, but it also in- cludes some 70 tonnes of oxide fuel from the utility's Trino and Garigliano light water reactors. British Nuclear Fuels has also reprocessed over 200 tonnes of magnox fuel from Japan's Tokai Mura reactor.

Its negotiations with a con- sortium of Japanese utilities to reprocess some 4,000 tonnes on oxide fuel during the 1980s - a contract that could be worth between £300m. and £500m. - has recently been attached on health and safety grounds.

Airlines launch world drive to safeguard passengers' luggage

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S airlines are making a united effort to get passengers' help this Christmas in avoiding delays to, and loss of, baggage.

With 50m. passengers expected to use the air trans- port system throughout the world in December and January, the International Air Transport Association says that probably less than 1 per cent of them will suffer losses of baggage.

But even that figure is con- sidered unacceptable, and the airlines say that with a little co-operation from passengers it could be reduced, and the in- convenience through loss or delays minimised.

The airlines urge all travellers: 1. To lock all baggage and mark it with proper personal identification, both internally and externally; 2. At check-in, be sure that the baggage tag for the correct destination is fixed to each bag by the check-in clerk;

3. Check that the baggage claim tag is fixed to the passenger ticket, and that it shows the correct destination; 4. Ensure that baggage weight does not exceed the free allow- ance, and check with the air- line in advance what the allowances are for each class of travel; and 5. If baggage is not delivered to the claim area at destina- tion, promptly tell the airline and provide accurate details so that tracing can start at once.

LATA says that if these rules were followed by all passengers, much of the present delay and loss could be avoided. Even so, it is claimed that much of the baggage that does go astray is found within 24 hours, and almost all the rest is normally traced and delivered within 72 hours.

The airlines cannot guarantee to prevent entirely tampering with or theft of baggage, which is why they insist on bags being properly locked to provide at least some precaution.

Lost baggage is as expensive, time-consuming and irritating to the airlines as to the passengers, and the airlines want to stamp it out for their own sake as well as for that of passengers.

IATA also revealed yesterday that its members are to make another attempt to solve the problem of agents' commissions at a meeting in Geneva on December 8.

Hope of success

Earlier talks in Nice and Cannes on a plan to give agents a standard commission of 8 per cent, worldwide were unsuc- cessful, and were full, and were over the past few weeks the air- lines have defined their ideas on future commissions more pre- cisely, so that the Geneva talks can be fixed with some hopes of success.

Gas

DOING A GOOD JOB FOR BRITAIN.

Good for the country.



Natural gas is saving Britain money—one thousand million pounds a year on our balance of payments, which otherwise would have to be spent on imported oil. And it's saving Britain energy, too. Natural gas is such an efficient fuel that in terms of useful heat it already meets 30% of the country's needs. And by 1980 this figure could well rise to 40%.

Good for the customer.



And because gas is so efficient it can save you money in home, office and factory. Particularly if you follow the expert advice available from your local gas showroom.

Good for the environment.



Because it is a remarkably clean fuel, natural gas has already done a great deal to help reduce atmospheric pollution. And because gas is transmitted through unseen underground pipelines, vast quantities of energy can be transported quickly and easily with very little permanent effect on the countryside.

In the 10 years since North Sea gas was first discovered, gas sales have increased almost fourfold, the appliances of more than 12½ million customers have been converted to burn the new fuel, and a vast new high-pressure, remotely controlled pipeline network has been built.

This, and much more, constitutes a record of achievement of which any industry could be proud.



BRITISH GAS





The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMMUNICATIONS

Keeping an eagle eye on 'phone costs

WITH ANOTHER round of increases in telephone charges, one of the first jobs implemented by Allied Business Systems on the Multibus II bureau facility at its Charing Cross Road Customer Centre is highly appropriate: a telephone network analysis.

The system's first major customer is a large national company, and it is based on a portable telephone traffic recorder which is attached to the internal telephone exchange and monitors traffic on all lines, external and internal. The output from the recorder, on paper tape, is fed into the Multibus II at Charing Cross Road and reports are produced analysing usage of internal extensions and external exchange lines under selected headings.

These range from a complete analysis of all activity on each individual extension to reports

of all outgoing external calls lasting more than a set time or costing more than a set amount. Other reports include the distribution pattern of exchange line usage in each half-hour period throughout the day, and details of all calls to selected destinations; for example a frequently telephoned regional office, or subsidiary, or customer.

The set of 11 reports gives a comprehensive picture of the usage of a company's telephone facilities, including summaries of costs by department, and enables real savings to be made by pinpointing areas where waste occurs, e.g. multiple calls to the same destination, excessive calls during peak charge rate periods, unauthorised calls outside working hours, etc.

Allied Business Systems is at 145 Charing Cross Road, WC2E 0EF (01-437 1078).

Lloyds use video telex

SIX OF the video telex terminals made by Automation and Technical Services are to be used by Lloyds Bank International to work over the Post Office International leased telegraph message switching service.

Operating at about four times the speed of conventional teleprinters, the Vitel units will allow Lloyds to increase message handling while reducing time spent by the operator on each message.

Vitel is a silent non-mechanical crt visual display unit replacement for a teleprinter in cases where no hard copy is required. It is particularly suitable where a large volume of transmission is called for with high accuracy and at maximum speed. At Lloyds it will be used for message modification and verification, specifically designed to provide total system security in monetary dealings.

The display and associated memory are similar in function to paper tape but with the advantages that editing is simple and flexible and the transmission can be taking place while a new message is being assembled on the same machine. No paper

Making sure of the words

BATTERIES by Chloride Industrial Batteries of Swinton will provide the standby power for the radio telephone system which links the new North Sea oil rigs with shore installations—and also enables the oil men to speak to their families on shore.

The batteries provide the power for a tropospheric scatter system, sometimes known as trans-horizon radio, which works at frequencies normally used only for line-of-sight communications.

A 20-ton battery installation is being set up by Chloride workers at Scarborough in Shetland, and a 14-ton battery installation is going in at Mormond Hill, near Fraserburgh, Aberdeen.

Standby Power division of Chloride says the order for the batteries to be supplied to the P.O. installations is worth around £40,000 to Chloride and could open up new horizons in this form of communication.

DATA PROCESSING

Light pen pinpoints the data

A VIDEO display/light pen system—so accurate that it will respond to a full stop on the screen—is to be introduced to the British and European markets by Delta Data System, of London.

The 5270 is designed for swift and precise selection of screen data—saving time in those applications where an operator must quickly select information presented on the video to initiate action from a computer or data communication system.

The operator simply touches the tip of the light pen to any character being displayed—the cursor then transfers from its current position on the screen to appear at the position indicated. This location is simultaneously signalled to the computer for transmission readiness.

Delta developed the unit as a "spin off" from a large U.S. Government contract which specified high-resolution light pen facilities to be associated with the company's 5000 terminal range. The 5270's fibre optics technology makes possible "full-stop" resolution (±1 character) standards on an inexpensive display for the first time.

Delta is at 193, Great Portland Street, London, W1N 5PD (01-580 7821).

Scrapbook sold by Triad

NATIONAL Physical Laboratory's Scrapbook textual information handling package is being marketed by TRIAD under an exclusive agreement between the organisations.

Scrapbook provides facilities which enable information to be stored, indexed and retrieved under the control of the actual user of the information—who needs no computing knowledge. In addition, powerful security and confidentiality features are incorporated.

At present it works on the NPL computer network. Its conversion to operation on stand-alone CIL Modular hardware is nearly complete.

National Water Council is the first organisation to indicate its intention to order the package

Light pen pinpoints the data

and a second important order will soon be placed while other proposals are in an advanced stage of negotiation.

Itel discs for 370s

ITEL INTERNATIONAL has begun marketing a disc storage subsystem to provide mass storage capabilities for attachment to System/370 Model 135 and up. Itel 7835/7330-12 is software compatible and functionally equivalent to IBM's 3350 Disc Storage. One of the benefits offered by Itel is that the recording media can be removed from one drive and mounted on another for on-site data recovery.

First customer installations are for the fourth quarter of 1976. Customers will save between 10 to 30 per cent over IBM purchase or lease plans offered on the 3350, Itel indicates.

Itel, Imperial House, 1, Grosvenor Place, London SW1X 7HQ (01-235 2486).

Solid-state memories for 168's

ITEL International has begun marketing its System 370/Model 168 Add-On Memory to IBM end-users. The first customer shipment of the Itel 168 MMM (Monolithic Main Memory) is scheduled for June 1976.

The 168 MMM uses a random access memory chip of an advanced design, which reduces the number of components per memory size and provides superior reliability. In addition, it will save the user between 10 and 30 per cent of cost over IBM memory.

Starting from any IBM memory size, Itel 168 MMM can be added in one Megabyte increments to a system total of 8 Megabytes. All Itel memory is attached to the back of the CPU in a swinging gate design making the memory and CPU easily accessible and occupying the least amount of computer room space. The Itel 168 MMM is designed to be fully compatible with IBM S/370-168 Model 1, Model 3 and Multi-processor (MP) Models.

Maintenance is available to users through Itel's European Field Engineering force. Itel is at Imperial House, 1, Grosvenor Place, London, SW1X 7HQ. (01-235 2486).



One of the latest additions to the magnetically operated equipment available from Eriez Magnetics-U.K. is an independently-powered device which fits on to the forks of a fork-lift truck and can be used for picking up pieces of metal from the factory floor. The 4-ft-wide sweeper consists of an electromagnet on which is mounted a small petrol-driven generator, with channels for picking up by a lift truck. Accumulated material is dumped from the magnet by momentarily switching the unit off, thus breaking the

magnetic field—so that when the driver needs to dump the material, he merely drives to the scrap bin, raises the sweeper up and over, and discharges the waste. In order to prevent ferrous material hanging on through induced magnetism, the power supply is fitted with a current-reversing switch. The faceplate of the sweeper is made of non-magnetic stainless steel. Further information on the sweeper is available from Eriez Magnetics-U.K., Wilson Industrial Estate, Caerphilly, Mid-Glamorgan CF8 3ED (0222 868501).

HEATING

Easy way to save heat

SAVINGS in the amount of energy used for heating can be obtained by increased insulation of walls, roofs and by double glazing. However, worthwhile savings can also be achieved by relatively inexpensive measures that can be undertaken by individual householders.

Research staff at the British Gas laboratories at Watton House, London, have found that for houses heated by radiators on external walls the application of reflecting material behind a radiator significantly reduces the heat loss. Radiator shelves, usually used for decorative purposes, are also effective heat savers.

It is well known that the wall

immediately behind a radiator becomes very warm and infrared measurements taken of the outside of a house show hot areas corresponding to the positions of the radiators. This indicates that a significant amount of heat is lost directly through the wall behind the radiator. When reflecting material is added the hot spots disappear. Laboratory tests, aimed at quantifying the potential heat savings showed that over half of the wasted heat could be saved.

The amount of heat saved by the use of reflecting material depends on the construction of the house and type of radiator. For older houses with nine-inch solid walls the amount saved is greater than for newer premises built with cavity walls.

Even more heat would be saved if an air gap was left between the wall and reflecting material. However, the gap

between the radiator and reflector must not be greatly reduced otherwise it will affect the heat output from the radiators.

Almost any type of reflecting material can be used, the choice being dependent on the skill of the householder and the ease of access to the wall behind the radiator. Cooking foil can be used if the radiator can be removed from the wall first. It is however fragile and more rigid foils may be preferred.

The cost of enough foil to install behind every radiator in a house (8 m²) ranges from £1 for a proprietary brand cooking foil up to £3 for a roll of stiffer material. To be added to this cost is the price of the tape or glue required for fixing. If these materials are used then the reduction in the heating bill during the first year of operation is likely to cover the cost of the installation.

SAFETY

Speaking in dangerous places

AFTER being on the market for quite a number of years ITT's Terraphone system has received approval for use in certain types of hazardous environment.

This telephone system enables a person to contact another very quickly. All he or she has to do

is to lift the nearest handset, press a button and announce the name of the person wanted.

The name is announced from all the voice reproducers in the system simultaneously and the person called simply goes to the nearest handset. When the handset is lifted contact is made with the person. The conversation is not broadcast generally.

More information about the system can be obtained from ITT Terraphone, Kingmaker House, Station Road, New Barnet, Barnet, Herts, EN8 1QX. (01-440 8456).

ELECTRONICS

Accurate controller

A NEW, three-position stepping controller, specifically designed for OEM applications has been introduced by Honeywell.

Versapak Model 7495 is cheaper than a conventional position proportional controller and easier to install and set, especially where control settings need to be repeated for identical applications.

Reversible electric motors can be controlled without a feedback potentiometer, and temperature control applications such as environmental chambers, dryers, ovens and furnaces can be handled. Set point accuracy is high at ±0.5 per cent.

Integrated circuitry and a minimum of moving parts ensure a high degree of reliability and virtually no maintenance. Honeywell at Charles Square, Bracknell, Berks. Bracknell 245555.

COMPONENTS

Imperialism raises its head

A DRIVE to sell more Imperial thread stainless steel fasteners into the mainly Metric European market is being launched by Everbright Fasteners of Twickenham at the Interfast Exhibition

which is taking place in the Palais du Centenaire, Brussels, this week.

Although Metric is the prime thread used in Europe there is a demand for Imperial threads particularly in the Scandinavian countries, explained Mr. Harold Cook, Everbright's managing director.

Everbright has been supplying small quantities of Imperial threads into Europe for some years and is of the opinion that a much bigger trade can be developed although it is "against the flow" of the Metrication movement.

INSTRUMENTS

Indicates slow flow

OIL throughputs down to 0.1 litres/hour—about one drip per second—can be measured to ±0.5 per cent with the Mentor meter introduced by Kent Meters, Pondwicks Road, Luton, Beds. LU1 3LJ (0582 31100).

Suitable for many applications where accurate low flow measurement of light viscosity liquids is required, the unit is particularly aimed at individual house metering of piped heating oil supplies from a central supply tank, for example on housing estates.

The meter uses a double diaphragm inside a chamber which is thereby divided into three. The diaphragms are rigidly connected by a rack. Using an integral channelling and porting system in conjunction with a quick acting slide valve arrangement on the inlet, the diaphragm/rack unit is made to reciprocate at a rate proportional to flow.

The motion of the rack is transformed into rotation by a clutch system and turns a pointer round a dial additively (1 rev is one litre passed through). Total is shown on a counter.

Rates up to 25 litres/hour can be indicated, and the minimum head from which the meter will work is 30 cm (12 inches).

PROCESSING

Condenses cardboard cartons

LARGE, intact cardboard containers are shredded at high speed and then squeezed into a dense pack within a polyethylene bag by a mobile carton destroyer introduced by EBA-United Kingdom, 34, High Street, Thatcham, Newbury, Berks. (0635 63208).

The maker says that "hundreds" of cartons per hour can be destroyed and that the unit will process other forms of packaging material with equal ease—even light wooden vegetable crates can be dealt with. Staples and strapping materials do not affect the machine.

Up to 40 cubic metres of empty cartons can be reduced to a single pallet load of eight sealed and wrapped packs weighing about 400 kg total which can be stored outside in all weathers without detriment. Mounted on castors, the machine can be made operational by an electrician soon after delivery to site.

Metsec
for engineering

Metsec Sections Ltd. Oldham, West Midlands B69 4HE
Tel: 021-552 1541

METALWORKING

Orders for big milling machines

SAID TO provide one of the largest overall workpiece capacities in Europe, a numerically controlled milling and boring machine has been delivered to Kjellberg-Eberle, Frankfurt, by the Butler Machine Tool Company, Mile Thorne, Halifax, Yorks. (0422 61641).

A further machine of similar type is on order for a Dutch customer, as well as two more for British Nuclear Fuels. Current price for these machines is about £150,000, depending on bed length and ancillary equipment.

Called the Elgamill LNC, has Plessey NC 1150 control, and maximum spindle travel of 15,000 x 2,500 x 970 mm. (64 x 8 x 3 feet). It is a travelling column milling and boring machine, with three axis control suitable for contouring in two axes. It can be supplied without NC.

The control cabinet is mounted on a travelling platform attached to the column. Ferranti digital readout is installed, with the setting controls on a mobile pendant. The operator stands on a platform attached to the headstock, keeping him in close proximity to the cutter and the spindle speed change lever which are the only manual controls. There are 27 spindle speeds, from 30 to 2,080 r.p.m. Zero-set datum positioning is fitted.

A 15 h.p. spindle motor drives a horizontal spindle in the machine type milling head. A detachable universal head for machining angular faces is provided. On this machine, 25 and 30 h.p. spindle motors can be supplied or a 20 h.p. dc drive.



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The Guardian, 24th October, 1975

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SAUDI ARABIA

An FT survey scheduled for publication January 12th 1976*

PLEASE NOTE: THE CONTENTS AND DATE OF THE SURVEY ARE SUBJECT TO COMPLETE EDITORIAL DISCRETION.

* NEW DATE

مركز ابحاث

LABOUR NEWS

Yorkshire miners call for special pay talks

By Our Labour Correspondent

YORKSHIRE MINERS' leaders yesterday called for a special one day conference on miners' pay because of "soaring inflation" but the move, by the Yorkshire area council National Union of Mineworkers, looks unlikely to succeed.

For national NUM leaders agreed only two weeks ago to lodge a 58 a week pay claim in line with the Government's pay policy and with the wishes of the majority of miners as expressed in a pit-head ballot in August.

The Yorkshire resolution called for the delegate conference because of the "circumstances now prevailing in the economy" and went on to demand delegates should also be allowed to discuss the lack of progress towards a new top grade for development men "as a matter of urgency."

Militants

Although much emphasis was put on the issue of the new grade, the militant Yorkshire miners' call for conference is seen more as a means of keeping the overall pay question alive in the hope that rising prices may spark a groundswell of opinion among miners against the Government's pay policy.

The Yorkshire initiative may win support from the other traditional militant mining areas of Scotland, Kent and South Wales but if the matter is debated at next week's NUM executive it seems unlikely that the voting pattern will be any different from the 14-to-nine support for the pay policy registered just a fortnight ago.

Referring to the Yorkshire miners' move last night Mr. Len Clarke, president of the Nottinghamshire miners and a leading NUM moderate, said the special conference was "not on" as miners had already cast their votes in favour of the Government policy.

GMWU post

Mr. Ian George Dunn has been appointed South West regional secretary of the General and Municipal Workers Union succeeding Mr. Gordon Reeves who has retired.

£6 issue hits knitwear

By Our Labour Staff

SEVERAL KNITWEAR factories in the Midlands were closed yesterday by the first in a series of one-day strikes called by the National Union of Hosiery and Knitwear Workers in support of its claim for the full 58-a-week allowed under the pay policy.

But the union and the Knitting Industries Federation gave a widely differing picture of how effectively the strike call had been observed.

The union claimed that 90 per cent. of its members in companies represented by the Federation and in Courtaulds, the other party to the dispute,

Power station gives notice to head of 'unrecognised' union

By LORELI OLSLAGER, LABOUR STAFF

A **WARWICKSHIRE** power station has given notice to the president of the Electricity Supply Union for refusing to join one of the four TUC-affiliated unions recognised by the electricity industry under a closed shop agreement.

Mr. Ken Atkins was told that his employment at the Hams Hall power station will end on January 11.

He is the seventh member of the ESU to lose his job for refusing to join any of the unions which concluded the closed shop agreement with the Electricity Council in 1969.

The other six, including the ESU's part-time general secretary, are appealing to an industrial tribunal against their dismissal.

Mr. Paul Nicolson, general secretary of the Confederation

Plan to boost rail equipment exports

By Our Labour Staff

MR. PETER SHORE, Trade Secretary, will tell British Rail management and union leaders today that he is planning a campaign to increase British exports of railway equipment.

Mr. Shore will outline his plans at a special meeting also to be attended by other Ministers and representatives of private and State manufacturers.

The National Union of Railwaymen in particular has been pressing for increased efforts to export railway equipment as a way to improve British Rail's ailing finances.

The Department estimates that the world market for railway equipment will double by 1980 to £1,000m. in 1973 prices. The aim of the new export drive, is to increase Britain's share from the present 5 per cent.

The Department proposes to co-ordinate British sales efforts in the most promising markets, such as the OPEC countries and Latin America and to keep a close watch on day-to-day progress.

The overall direction of the new export drive should please the NUR. But differences could arise, as the union believes that new investments should be made

TGWU to use new Act against Ladbroke's

By Our Labour Staff

THE TRANSPORT and General Workers' Union plans to make use of the new Employment Protection Act in its long-running recognition dispute with Ladbroke's, the bookmakers.

The union is expected to refer the recognition issue to the independent Advisory Conciliation and Arbitration Service when recognition sections of the Act come into force in two months' time.

At the same time the union seeks maximum compensation—£5,200 or two years' pay, whichever is greater—for 339 betting-shop clerks dismissed by Ladbroke's in Scotland six months ago. The company has said it cannot reinstate them.

An industrial tribunal ruled in a test case involving six of the dismissed workers brought by the TGWU that the staff should be given their jobs back. But due to reorganisation of the company the jobs are no longer available.

The TGWU says if its application for maximum compensation is successful Ladbroke's may face total costs of over £1m.

The union is meanwhile launching a countrywide education campaign to explain the provisions of the Act to its members.

NEWS ANALYSIS — MANPOWER

Cassels plan to find jobs

By JOHN ELLIOTT, Labour Editor

THERE HAS been a lot of talk in the past few years about the need for the U.K. to have a forward-looking co-ordinated manpower policy which will make sure that the right type of worker is available at the right time and place in the cbb and flow of economic and industrial cycles. Such a strategy will help to increase industrial efficiency and reduce unemployment.

Nearly two years ago, a new organisation, the Manpower Services Commission, was set up to act as the body responsible for this under a board comprising TUC and CBI nominees plus representatives of local authorities, education, and other interests.

It is now in charge of the separate agencies which run the Government's training and employment services, and is also responsible for the new Job Creation Programme, and for co-ordinating industry training boards.

However the Commission has not so far fulfilled all the initial hopes and now it is to be given new impetus by the creation of a new post of Director of the Commission who will work under its chairman—at present Sir Denis Barnes.

Yesterday it was announced that Mr. John Cassels, 37, is to become the first £14,000-a-year Director next Monday and it will be his job to lead the Commission into a more positive role, initially drawing up Britain's first comprehensive manpower policy which could turn the Com-

mission into a significant arm of the country's economic planning. In an exclusive interview yesterday, Mr. Cassels spelled out the wide-ranging role he sees for the MSC. "Our first job will be to set about devising a comprehensive manpower plan which will mean working far out for the next six months so that it is ready by next July," he said.

"The MSC has wanted to do this anyway but now it will also fit in with the Government's new industrial strategy which is being discussed by the National Economic Development Council. So now the MSC must concern itself with the manpower end of the strategy," said Mr. Cassels, who sees the MSC as, potentially, a more effective operator of the manpower end of the strategy than the NEDC itself.

He acknowledges the difficulty of drawing up a manpower strategy against a background of changing Government policies and rapidly developing economic problems and therefore sees a need for the plan to be flexible, based on whatever firm forecasts are available.

If this all seems rather vague, Mr. Cassels is not too dispirited. A highly respected civil servant who was Mr. Ray Gunter's private secretary at the then Ministry of Labour in the mid-1960s, he was secretary to the Donovan Royal Commission on Trade Unions and is a devotee of its basically voluntary rather than legalistic approach to labour problems.

"There will be a need, for example, to look into housing if you want labour mobility. Increased higher educational standards also raise questions of who will do less skilled jobs, so one must look into education."

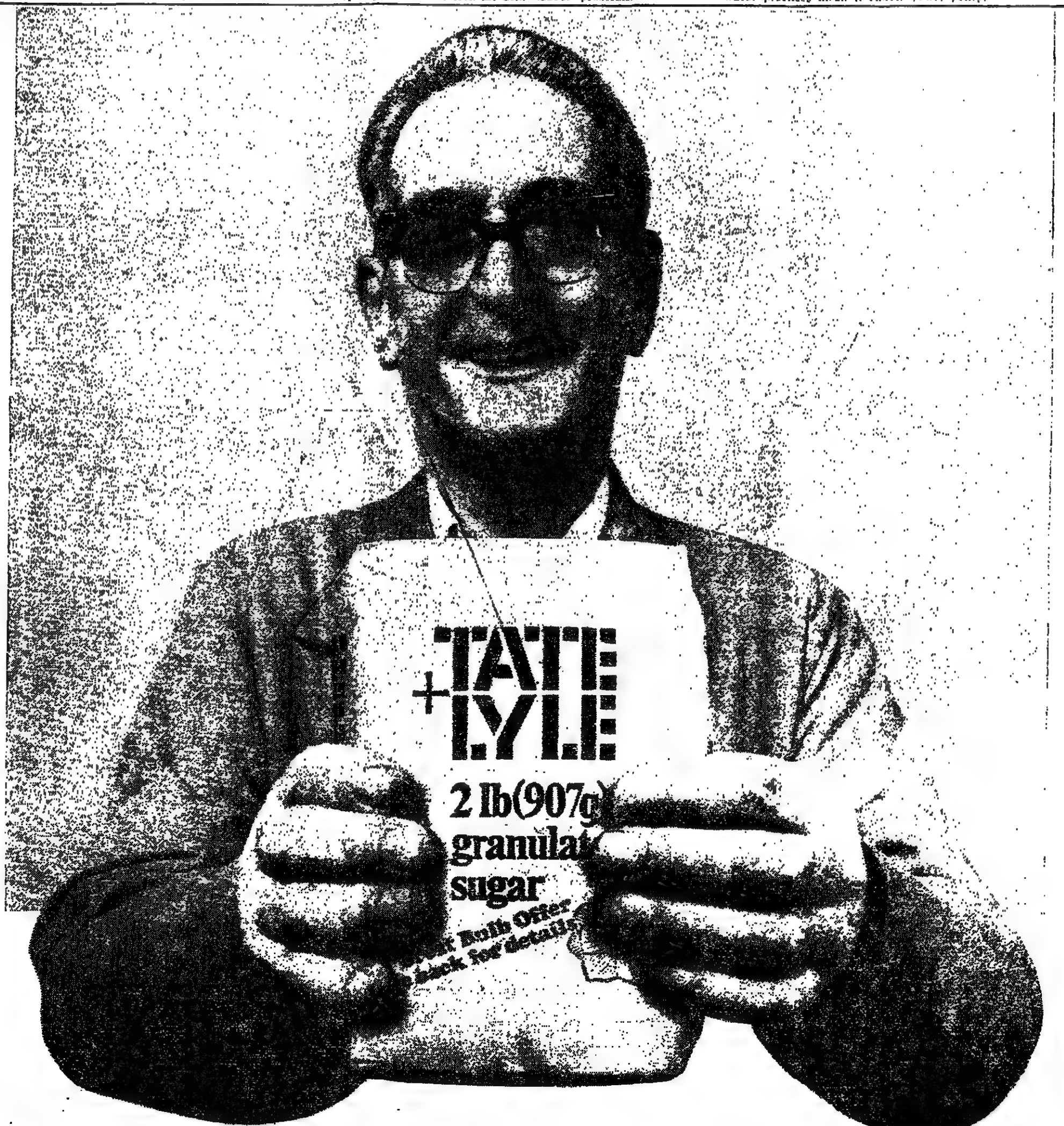
"This leads into how available skills and labour can best be used which will make the MSC take an interest in the efficient use of manpower. Should our employment agency keep sending craftsmen, for example, to a company whose practices mean it suffers from a high labour turnover? This isn't prying into company practices but simply making sure that public money, contributed by the people in that factory and everywhere else, is put to the best use."

To do all this will mean the MSC taking an interest not only in the NEDC work at national level, but also in regional planning (where it is building up a network of 125 local manpower committees) and in different industries. This will involve close working with the National Enterprise Board and with the preparation and implementation of planning agreements.

Providing essential back-up information will be a central intelligence unit now being built up at the Commission's headquarters (which are due to move from Central London to Sheffield in two or three years' time.)

How well this unit's work—and therefore the Commission's manpower plan when it emerges—fares in the Whitehall machine remains to be seen because there is no sign of Mr. Michael Foot's Employment Department—or of the Treasury for that matter—being prepared to waive its right to push its own line.

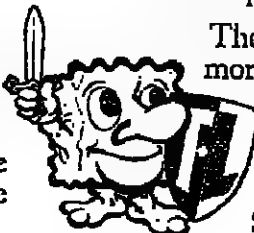
Diplomatic operating in this potential minefield—with his TUC-CBI dominated Commission on the one hand and Whitehall on the other—should therefore further enliven the work of Mr. Cassels in his new job as he prepares the country's first manpower policy.



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Russians attached to 25 companies

BY JOHN HUNT

THE GOVERNMENT last night named 25 British companies exporting to the Soviet Union which have Soviet trade inspectors attached to their factories in Britain in order to inspect their equipment.

The system has led to controversy in the Commons and there was a row last week when it was learned that 71 inspectors are at present in the U.K.

Mr. Cranley Goslow, one of the Tory defence spokesmen, protested to Mr. Roy Hattersley, Minister of State for Foreign Affairs, that Russian trade officials had abused the confidence and trust of the British people in the past.

Following the row, Mr. Goslow put down a written question asking the Foreign Office for the names of the British firms concerned.

The question was transferred to the Home Office and last night Mr. Alex Lyon, Minister of State for Home Affairs, replied listing the names of the companies.

Tougher penalties in Forces

By Richard Evans, Lobby Correspondent

MUCH TOUGHER penalties for offences against discipline in the Armed Forces are contained in a Government Bill published yesterday.

The Armed Forces Bill, renewed by Parliament every five years, seeks to increase the summary powers of Army, Royal Marine and Royal Air Force commanding officers, and to provide more appropriate powers over civilians who work for the Armed Forces overseas, including the setting up of a special tribunal.

Under the Bill, a private soldier or airman could be given a period of detention summarily by his commanding officer of up to 60 days, compared with the maximum of 28 days now permitted.

Doctors evoke memories

BY PHILIP RAWSTORNE

"Politically-motivated blackmail... over-riding need to sustain the Government's pay policy"—the Commons exchanges on the hospital doctors' action yesterday reverberated with echoes of the Conservative Government's pay battle with the miners.

Two-year-old memories even pointed to a compromise solution in another look at the statistics on which the Government's offer of £12m. extra duty allowance to the junior doctors is based.

"It is certainly not the Government's desire to deprive the juniors of any money to which they are entitled," said Mrs. Barbara Castle.

But she added later: "I would be letting the country down if I invented a calculation which would be patently at odds with the pay policy."

One breach of the policy and it would collapse in ruins, she said. Inflation would resume its appalling upward course and the first people to suffer would be NHS patients.

As it was, Mrs. Castle said that the combined action of consultants and junior doctors, if fully applied, would cause "serious risks to the health and even the lives of patients."

Their interests were being "wantonly flouted," she declared.

She invited the House to deplore the militancy, including the reprisals of some hospital workers—and Mr. Norman Fowler, the Tory spokesman, responded firmly. "The Conservatives will not support action to break the Government's counter-inflation policy," he declared.

But, to Labour protest, Mr. Fowler went on to accuse Mrs. Castle of leading the NHS from crisis towards catastrophe.

The Social Services Secretary re-

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The Social Services Secretary re-

tioned, with strong backbench support, that she had done all she could to avert the industrial action. She sympathised with the long hours that some junior doctors worked—and offered immediate talks on a new timetable.

But Mrs. Castle agreed with Mr. John Tomlinson (Lab., Meriden) that there could be no surrender to the "politically-motivated blackmail" of the consultants' action against the Government's plans to phase private practice out of the NHS.

"This is a matter for Parliament where no doubt it will be fully and hotly debated," said Mrs. Castle. "It becomes very dangerous when we have the kind of industrial action to prevent a political decision which we are now getting from the consultants."

Mr. Enoch Powell and quite a few Conservatives nodded in vigorous agreement.

Chrysler: Heseltine fears dealer network break-up

BY JOHN HUNT

A WARNING that unless the Government rapidly makes a statement on the Chrysler situation the company's dealer network might "disintegrate" was given in the Commons yesterday by Mr. Michael Heseltine, "shadow" Industry Secretary.

But, despite strong pressure from both sides of the House, Mr. Eric Varley, Industry Secretary, refused to be drawn and would only promise that a statement would be made as soon as possible.

There were 800 exclusive Chrysler dealers in the U.K. and he realised that they were just as worried as the workers in the Chrysler factories. He also refused to confirm or deny reports that the Government was prepared to make £30m. to £35m. available to save Chrysler in the U.K.

Mr. Heseltine warned him that the time was coming when any statement might be overtaken by the fact that the Chrysler dealers were rapidly losing confidence in the situation. At least, he urged, the Government should make a holding statement before confidence evaporated.

"If the dealer chain disintegrates, then no saving of Chrysler on a national scale will have any impact whatsoever," he declared.

Mr. Michael Spicer (C. South Worcestershire) maintained that if £30m. was made available it would be a scandalous misuse of public money in terms of the effect on the public debt and on inflation.

Mr. Varley told him that there had been a lot of speculation in the newspapers—most of it wrong. The Government was



MR. MICHAEL HESELTINE
"At least, a holding statement..."

faced with an extremely difficult and grave situation and would make a statement as soon as possible.

Mr. Leslie Huxford (Lab., Newcastle) reminded him that in Coventry and the West Midlands unemployment was now approaching 10 per cent. of the labour force. Many of his constituents, particularly those at the Chrysler Ryton plant, did not know whether they would have a job to go to next year.

A statement was necessary at the earliest opportunity. During questions to the Department of Industry, Mr. Heseltine also came under fire from impatient MPs who claimed

that the Government was dragging its feet on the question of selective import controls and in announcing details of the guidelines for the newly formed National Enterprise Board.

Mr. Max Madden (Lab. Sowerby) warned that if action was not taken soon on import controls, not only would the textile industry suffer but many other areas of the country would be in complete disarray. He asked if it was going to be another case of "too little too late."

Concern was also expressed by Mr. Eric Hoyle (Lab. Nelson and Colne) who reminded the Minister that people were on short time and more textile mills were closing.

But Mr. Gerald Kaufman, Industry Under-Secretary, would only say that as the Prime Minister had already promised, a statement will be made shortly.

On the question of NEB guidelines, Mr. John Stanley (C. Torridge and Malling) thought it extraordinary that details had not been published at a time when the Government had already announced its industrial strategy.

One of the Tories' industry spokesmen, Mr. Tom King, said the Opposition was getting heartily fed up with passive legislation without knowing how it would operate in practice. He asked for a promise that the guidelines would contain an undertaking that the NEB would have regard at all times to the new industrial strategy of the Government.

Mr. Kaufman replied that discussions are still taking place on the draft guidelines with various bodies, including the CBI, and an announcement would be made as soon as possible.

Mrs. Castle ready to start talks on reduced hours of duty

MRS. BARBARA CASTLE, Social Services Secretary, yesterday called on the junior doctors and consultants to reconsider their action and resume talks.

In a statement, the Minister told MPs she was willing to start immediate talks aimed at reducing the junior doctors' hours of duty to a maximum of 80 a week.

Mrs. Castle said that the action proposed by the consultants in England if fully applied together with the junior doctors' sanctions, would cause very serious risks to the health and even the lives of patients.

She also criticised action by the National Union of Public Employees, saying: "I can only deplore any action from any quarter which damages the needs and interests of the patients, and I urge all NHS staff to leave this matter to Parliament."

Mrs. Castle said that the industrial action by juniors, in which some were restricting their hours from 9 a.m. to 5 p.m. five days a week, had led to the closure of a number of accident and emergency units.

It was encouraging that as many as four out of ten junior doctors had voted against industrial action in their ballot, and that the endorsement of industrial action by the hospital juniors' staff committee of the BMA was carried by only 23 votes to 19.

Willing

It was also encouraging that the principles of the new contract had received overwhelming support in the recent BMA ballot. "It is possible under the pay policy to start phasing in the contract immediately on a basis which will ensure no detriment."

"But our real aim should be to reduce the long hours which some juniors work. I am willing to enter into immediate talks with the juniors, and representatives of the consultants, who would have to be involved, to agree a timetable for reducing juniors' hours of duty to a maximum of 80 hours a week."

"This cannot be introduced without agreement by consultants as well as the juniors, and without a willingness for juniors in posts which do not involve long hours of duty to shoulder some of the burdens of their colleagues who do work long hours."

Turning to consultants, Mrs. Castle said the councils of the BMA had recommended that from that day doctors in the senior grades in NHS hospitals should limit their work in caring for emergency and patients already receiving inpatient treatment.



MRS. BARBARA CASTLE
Faced by Tory charge that she risks NHS catastrophe.

They were also collecting undated resignations, and had said they would discontinue the action if all matters in the consultative document on private practice, including the phasing out of pay beds, were referred to the Royal Commission.

"I hope the whole House will deplore this additional industrial action. As the Prime Minister has said, the question of separating private practice from NHS

hospitals is a matter for Parliament."

Opposition spokesman, Mr. Norman Fowler, told Mrs. Castle: "Not only have you led the Health Service into crisis, but you risk leading it into catastrophe."

Conservatives would not support any attempt to break the Government's counter-inflation policy. But the Prime Minister said he was a supporter of all parties involved, with the aim of giving the negotiations a new start and breaking down the atmosphere of mistrust.

Reasonable

On the consultants' dispute, Mr. Fowler said he did not support industrial action, but he urged Mrs. Castle "Will you not even now agree to a reasonable compromise, and refer the whole pay beds and separation policy to the Royal Commission?"

Mrs. Castle said the Prime Minister had agreed to a meeting with the president of the Royal College of Surgeons, Sir Rodney Smith, on Wednesday.

On the pay beds issue she said: "In the end, it will be for the House to decide what is a proportionate matter of principle as to whether or not it should be possible within a publicly financed National Health Service to have privileged treatment."

The issue of private practice was a political matter, and it should be decided by Parliament. Mr. Cyril Smith, Liberal Chief Whip, claimed: "Doctors are displaying a militancy which has been proved to pay off in other parts of the community in past years."

Mr. Robert Hughes (Lab. Aberdeen N.) said it was despicable that both juniors and consultants appeared "quite willing

to put the health of patients at risk."

Dr. David Crouch (C. Canterbury) said that several hospitals were at very grave risk now and "the risk at the end of the week will be severe."

Barracked by some Labour back-benchers, Mr. Crouch added: "I will not be talked out of a question involving people's lives. I deplore industrial action from both junior doctors and consultants—but we have reached a state of impasse and it is your duty to give leadership out of this impasse."

Mrs. Castle replied: "It would be wrong for the Government to approve a breach of the pay policy because if we do the policy will collapse. Inflation will resume its appalling upward course and the first people to suffer will be the patients in the NHS."

She was deeply concerned about the well-being of patients. "We will make whatever arrangements we can to safeguard the interests of patients which their own doctors are so wantonly flouting."

Mrs. Castle told Mrs. Jill Knight (C. Edgbaston) that she realised that those consultants not taking industrial action did not necessarily accept the Government's policy. "All the more honour to them for putting their patients first."

She agreed with Mr. Leslie Spriggs (Lab., St. Helens) that junior doctors were not always working "the extravagant hours that are sometimes claimed. We are not always talking about hours of work, but hours of duty, some of which may actually be spent at home."

Mr. David Price (C. Eastleigh) said that all unions in the NHS ought to be invited to sign a voluntary agreement never to strike.

MPs back farm loans increase

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

PROPOSALS for increasing aid to the farming industry—enabling about £300m. to be made available for lending to farmers—were approved in the Commons last night under the terms of the Agriculture (Miscellaneous Provisions) Bill.

Mr. Fred Peart, Agriculture Minister, said that one clause in the Bill would provide for an increase in the limit on Government advances to the Agricultural Mortgage Corporation from the current £15m. to an upper

limit, if the Commons agreed, of £40m. to all.

The Minister pointed out that the Corporation had been the major source of long term loans for the industry for nearly fifty years. It was important that there should be no doubt about the Corporation's capacity to continue offering this important service to farmers.

The Government advances provided the necessary support to enable the Corporation to continue raising on the market the money which it lent on a long-term basis to farmers on the

security of their land so that they could buy or improve their farms.

Another provision in the Bill introduced measures to restrict the growing of male hops. Mr. Peart told the House that the U.K. was almost alone among hop-growing countries in not growing seedless hops.

But there was an increased demand for the seedless hops not only by British brewers but in the international hops market, both within the Community and in third countries.

MP seeks assurance on Leyland parts

MANUFACTURERS would be

jeopardised if British Leyland started to produce its own components with its huge investment of public money, Mr. Douglas Hurd (C. Mid-Oxon) claimed in the Commons yesterday.

He had asked Mr. Eric Varley, Industry Secretary, what sums of public money had so far been advanced to British Leyland.

Mr. Varley said that following the Government's acceptance of the Ryder report as a basis of policy, £200m. of equity capital had been provided.

Mr. Hurd said there was

anxiety that Leyland might start manufacturing such things as car heaters. "Can you give an assurance that you will not allow these very large sums of public money to be used in such a way as to destroy existing firms and efficient suppliers?"

Mr. Varley said that representations had already been received from the Society of Motor Manufacturers and Traders, and the Government had been in touch with the National Enterprise Board. "A balance has to be struck between Leyland buying in components and using their commercial judgment."

Judge's costs award queried

A DECISION of Mr. Justice Melford Stevenson to reduce costs allowed to defence solicitors and counsel in a recent case had been widely regarded as a punishment for attacking police evidence, Mr. Bruce Douglas-Mann (Lab. Mitcham and Merton) said in the Commons yesterday.

He asked Mr. Sam Silkin, Attorney-General, in what circumstances a part of costs could be disallowed because of the manner in which the case had been conducted.

Mr. Silkin replied that the solicitors concerned had indicated they were appealing to the Taxing Master, and the question was now sub judice.

Power cut off for 120,000

ABOUT 120,000 people who owed electricity bills in England and Wales were cut off from the mains last year, Mr. John Smith, Energy Under Secretary said in a Commons written reply yesterday. There are about 17m. consumers.

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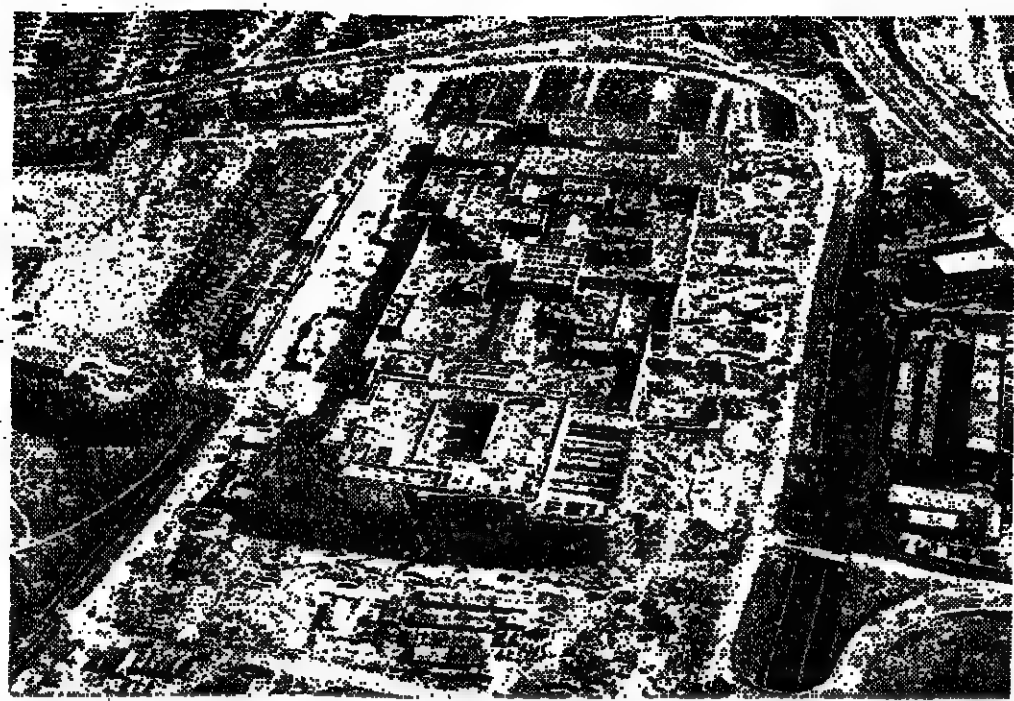
EDITED BY JAMES ENSOR

Elinor Goodman assesses the prospects for Brent Cross...

A shopping revolution

IN FOUR MONTHS' time, 19 years of planning will come to fruition with the opening of what is being optimistically described as "London's second Oxford Street." Situated seven miles north of Oxford Circus at Brent Cross, some 50 retailers have already signed up to occupy the 800,000 square feet of covered selling space which it is hoped will attract 1.275m. customers from a radius of 20 minutes' drive.

Developed by Hammerson, the property group, and Brent Walker, the leisure concern, at a cost of around £20m., Brent Cross is no ordinary shopping centre. Based on a concept already very successfully developed in America and France, it is the first covered regional shopping centre to be built in this country. Thus, unlike the urban renewal shopping schemes, such as those in Nottingham and Manchester, it is not designed to serve the needs of an existing shopping community but those of a whole region.



"Guided by helpful pedestrians it took me one hour to drive from Highbury Fields... a distance of five miles as the crow flies." Brent Cross near completion, but will miss the Christmas trade.

Magnet

Just as Oxford Street draws its customers from the whole of Southern England, so it is hoped Brent Cross will act as a magnet for shoppers as far afield as Swiss Cottage and Camden Town in the north and Luton and Watford in the south. Like Oxford Street, it will provide a wide range of shops with two major department stores—John Lewis and Fenwick's—a big Marks and Spencer, and C and A, as well as six menswear shops, at least 15 ladies' dress shops, five eating places, a hairdresser's and the usual spectrum of boutiques selling accessories like shoes and handbags.

Like Oxford Street, too, it is hoped that people will go to Brent Cross on their major shopping expeditions. The emphasis will be on major purchases, like dresses and consumer durables, rather than items bought every day. For this reason there will only be one supermarket—the John Lewis food subsidiary, Watrose. The main difference between Brent Cross and Oxford Street—apart from the fact that the "West End" has a long history of successful trading and Brent Cross has none—is that the new development is designed for the motor age. Though the centre will be served by public transport, it is expected that the majority of customers will come by car. Provided that not more

than 3,500 cars turn up at the same time, parking will not be a problem.

Basically built on two levels, the centre is designed to draw an equal flow of customer traffic to both levels, thus avoiding the problems of having a ground floor, which attracts most of the customers, and a first floor where few people venture. Only the department stores will have three floors.

Judging by the architect's model of the centre, Brent Cross will be an attractive place to shop. Though not particularly pleasing to look at from the outside, the interior is likely to compare well with the French centres. Like the French developments, the two department stores will act as magnets to draw customers from one end of the centre to the other.

For the moment, however, the architect's dream is still covered with scaffolding. The original target date for opening was October of this year, but the schedule was put back by the three-day week and having to replace high alumina cement used on the ground floor and, although it is difficult to believe, the developers are confident of a March completion.

That it will open in the spring, rather than before Christmas, must be a major disappointment to the retailers involved, particularly as sales are in any case currently depressed by the general recession. Even if publicity

results in a rush of curious customers to the centre in March itself, retailers will still have to face the traditionally slack period of April and May before being able to establish whether Brent Cross looks like proving itself. This aside, it will probably be at least two years before any of the big retailers start breaking even on their investment and nearer seven years before the developers re-coup the £20m. they have invested in it.

The original idea for the development came from Hammerson which started looking for a suitable site as long ago as 1957. Then in 1963 the company agreed with Hendon Borough Council to develop a site previously used as allotments, together with the old greyhound racing track owned by Hackney and Hendon Greyhound.

At that stage the estimated cost of development was only £8m.

A joint company was formed to develop the site in which Hackney and Hendon Greyhound (later merged with George Walker to become Brent Walker) had a 25 per cent stake and the property company 75 per cent. However, the situation has been complicated by a legal dispute between Brent Walker and Hammerson over the nature of participation with Hammerson of Standard Life and Royal London, the institution providing finance. Both sides say the matter is a "sub-judice" and the whole affair looks as if it could take some time to solve.

To some extent this dispute is subsidiary to the key question of whether Brent Cross will ever produce the "shopping revolution" promised by the supporters of such regional centres. Certainly local residents are not yet aware of the revolution on their doorsteps despite a series of enthusiastic speeches given to local women's organisations by Hammerson executives. Guided by helpful pedestrians it took me one hour to drive from Highbury Fields to Brent Cross—a distance of not more than five miles as the crow flies. Though the centre is theoretically situated in an ideal position on a junction of the North Circular the A41 and the feeder road to the M1, it is not exactly a joy ride getting there from London.

Without the advantage of the signs that will be put up before the centre opens and the pre-launch publicity, it is obviously

unfair to judge how accessible Brent Cross will prove to be, but there seems little doubt that it will attract more customers from the suburbs to the North of London than, say, from Hampstead.

Even so, it is difficult to imagine Brent Cross ever providing the kind of atmosphere which can still be found in the West End. Though most of the big multiple retailers have taken space, the line-up of shops somehow lacks the variety of an established shopping centre.

One reason why, of course, is money. The asking rent is £15 per square foot (or a sales-related rent as is being paid by JLP) and though this may be well under half the cost of opening in Oxford Street, the economy has to be weighed against the risks of opening in such virgin territory as Brent Cross (a risk that is reflected in the rents being paid by the big stores). Moreover, many of the boutiques which Hammerson would like to attract are only trading profitably in their existing premises because the are paying historic rents far below £15 per square foot. Also, the remaining units on offer are all between 1,500 and 2,500 square feet and are thus too large for many entrepreneurs.

In fact, Hammerson says that once the big stores had signed up, filling the rest of the space has not been much of a problem. Admittedly, it took some time and several false starts to get the department stores in, but since then the flow of applications has been fairly steady. Eighty-five per cent of the space has now been let. The difficulty, the company says, has been getting the right mix of retailers and avoiding the duplication of, for example, shoe shops seen in Oxford Street.

One obvious motivation for going into Brent Cross is the "if you can't beat them, join them" syndrome, and certainly there has been an element of this in the thinking of some of the stores that have taken space. Though Hammerson argues that the centre's opening will not harm trade in the existing local shops, the trade has to come from somewhere. The smaller department stores in places like Wood Green and Watford may have reason to see Brent Cross as a threat to their business. Whether trade in Oxford Street will suffer dramatically from this new initiator seems more doubtful. But then, as Hammerson points out, there is not much room left in Oxford Street.



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Coping with currency losses

BY TONY RING

WITH the pound floating, companies are having problems in deciding how to treat any profits or losses made on foreign currency transactions or in translating foreign assets and liabilities into sterling. In recent weeks Land Securities showed a loss of around £3m. on foreign borrowings and Woolworth showed a third quarter loss of £1m. on its foreign debt—but neither of these figures were taken into the profit and loss account itself.

Techniques of how best to deal with these problems are still evolving and there is little conformity between the two countries that are leading the way—the U.K. and the U.S.

The U.S. was first to present a comprehensive accounting rule. The Financial Accounting Standards Board Statement No. 8, published in October, adopted three principles concerning foreign currency transactions, overseas subsidiaries, and forward exchange contracts:

(a) In accounting for foreign currency transactions, a "two-tier" perspective is adopted. Thus a transaction is recorded using the foreign exchange rate applicable to the date on which the transaction was entered into, and any deviation from that rate is accounted for separately as a profit or loss on exchange. The decision to extend credit or to take credit in a foreign currency is seen as a different management decision from the decision to enter into the original transaction. The effect is that all profits and losses on exchange flow immediately through the income statement. This happens on the accruals basis, as conversion of the foreign currency asset or liability is made at the actual rate at each balance-sheet or interim balance-sheet date.

(b) In translating the foreign statements of overseas subsidiaries, the "temporal" method is used. This values assets and liabilities in dollar terms according to how they are valued in their original currency. Thus assets and liabilities measured on an historic cost basis (for example fixed assets, inventory at cost, deferred tax liabilities derived from accelerated depreciation) are converted at historic exchange rates—but assets and liabilities measured on current value basis (for example cash, receivables, payables, inventory at net sales price) are translated at current exchange rates.

This has had a dramatic impact on those companies which have previously used the formerly acceptable current/non-current method where all assets and liabilities are valued at historic rates. A number of U.S. companies with DM or Sw.Fr. denominated loans are sitting on substantial losses because of the weakness of the dollar.

(c) Forward exchange contracts must be revalued at year end and any gain or loss charged to the income statement. One exception is permitted, which modifies the general two-tier perspective of foreign currency transactions mentioned above. If a company hedges a specific future currency commitment with a forward contract, the forward rate can be substituted for the spot rate in the measurement of the asset or liability involved.

These new U.S. accounting requirements, eliminate the advantages formerly obtainable by borrowing Euro-currencies at low interest rates and effectively deferring charging the interest differential between Euro-currencies and dollars until repayment by adopting the spot/non-current method of translation. The implication is that foreign currency borrowings will be made on their economic, rather than on their accounting, merits.

In the U.K. we have not yet sought such esoteric heights. The five major accounting bodies in the U.K. appreciate that the question is a knotty one and have the topic currently under study. To date, their Accounting Standards Steering Committee has merely offered advice in its Exposure Draft 16 which proposes:

i) The use of either the current / non-current method (mistakenly referred to as the temporal method) or the current rate method under which all assets and liabilities are valued at current exchange rates.

ii) That foreign currency payables should always be translated at the rate prevailing on the balance sheet date.

iii) That any profits or losses that arise by valuing fixed assets at the current rate can be passed through reserves.

iv) Other gains or losses on exchange should flow through the income statement. But a loss on a foreign exchange liability can be matched by a gain on foreign fixed assets funded thereby so that effectively it flows through reserves.

The most significant difference between the two approaches is the forthright rejection in the U.S. of the current rate method for translating fixed assets. This makes sense because the translation of fixed assets at current rate represents neither the historic cost of those assets, nor a full revaluation and appears to have no sound practical meaning. It remains to be seen how these differing views will be reconciled by the International Accounting Standards Committee.

Even greater differences arise when considering the tax position of currency gains and losses in various countries.

The main differences in principle are (a) realisation or accruals basis. Some countries adopt a middle course recognising exchange losses on the accruals basis and profits on the realisation basis; (b) one-tier or two-tier perspective for fixed assets; (c) income or capital gains treatment.

The U.K. has fairly definite, though complex, set of tax rules for exchange gains and losses. Those gains and losses relating to trading assets or liabilities are taxable or deductible as York.

The author is an assistant vice-president in London of the Marine Midland Bank—New York.

Energy saving in buildings

BY BOB CREW

BRITAIN saves more energy than any other industrialised nation. American, on the other hand, is among the world's most wasteful users of energy. These are the findings of a report by the International Energy Agency (IEA) in Paris, which states: "Clearly the United Kingdom has one of the best conversion programmes in the IEA at present." In a survey of 17 member-countries of the Organisation for Economic Co-operation and Development, Britain comes top, with Sweden second, Denmark third and Italy fourth. America is fourth from bottom, above Belgium, Norway and Austria, while West Germany—seventh from top—is above Spain, Japan and Canada.

It is estimated by the Royal Institute of British Architects (RIBA) that about half the energy used in Britain is accounted for by buildings, not just in their heating and cooling, but in the activities that are conducted inside them as well. Certainly, the battle for saving Britain's dwindling energy resources and attendant cost is greatly influenced by the conduct of those who occupy buildings, particularly office, commercial and industrial buildings. The energy conservation programmes surveyed by the IEA are those implemented since the 1973-74 Arab oil embargo and Britain's programme, since that time has included, highly effective measures such as compulsory heating reductions in non-residential buildings, new insulation requirements with tax allowances to that end, and special loans to industry for energy-saving investments.

Useful

Maximum energy-savings can, of course, be achieved in the design and construction of buildings as well as in their use. A report to the Ministers of Energy and Housing by a special steering group of the RIBA recommends that it would be useful for architects to meet with occupiers of buildings to explain to them those design features with energy-savings in view which require a change of habit and behaviour by users. The RIBA report also calls for the practical value of energy budgeting schemes to be demonstrated and explained to owners of buildings so that they can implement conservation measures of their own.

From the insulation and ventilation-control of buildings to the adoption of lower heat-standards, thermostat-control of radiators and lowering of light levels—in conjunction with efficient light-fittings, the report is far-reaching. It says that thermal problems should be

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TUESDAY, DECEMBER 2, 1975

Test case at Leyland

THE motor industry is engaged in assembling a large number of specialised parts into complete vehicles. If the supply of any particular part is interrupted, production as a whole must come to a stop, and sooner rather than later, in a nutshell, is why the industry is so abnormally vulnerable to small-scale industrial action. The latest incident to affect Leyland is typical, in that the demand of a few internal drivers at North Oxford for a regrading that would give them some extra pounds a week has effectively cut off the supply of radiators and petrol tanks and brought to a large part of the firm's production at Longbridge as well as Cowley to a halt.

This is far from being the first such incident from which the company has suffered at Cowley this year. Production is yet threatened by sanctions imposed by 66 testers and 430 inspectors who demanded to be regraded as production workers in the hope of achieving an increase in their pay despite the £6 ceiling endorsed by the TUC. The company, which is, as it were, on public trial for good behaviour, cannot afford to be caught out circumventing the pay limit in this way, even if some firms less exposed to public notice have been less rigorous in interpreting its terms. But its very firmness has helped cause a loss of production which itself threatens the official assistance on which its future depends.

Principle

Beyond these sporadic but damaging attempts to find a way round the wage limit, however, there is a larger principle involved for British Leyland—one on which it made its feelings quite plain earlier in the year at the first outbreak of a stoppage by tuners, who were demanding to be regraded as skilled workers. The motive of the men in this case, too, was probably to find a way of bending the incomes policy in their favour. The management of British Leyland, however, saw clearly that if it gave way in one special case it would eventually be forced to give way in many others. Quite apart from the restrictions immediately set by incomes policy, therefore, it refused to consider the men's demand except in the context of a comprehensive job classification exercise.

It is here that rivalry between different unions, the TGWU and the AUEW, comes into the picture.

Loose language at the United Nations

THE LATEST Security Council Resolution on the Middle East is unusually delicate even by Middle East standards. It was passed on Sunday night only a few hours before the mandate for the UN force on the Golan Heights between Israel and Syria was due to expire. Part of it extends that mandate for a further six months, which is itself a welcome development. But the Resolution also says that the Council will reconvene on January 12 next year "to continue the debate on the Middle East problem including the Palestinian question, taking into account all relevant UN Resolutions."

Russian

The catch here is that it does not say which Resolutions are relevant. If it were simply a question of the longstanding Middle East Resolutions—242 and 338—this presumably could have been stated; the implication must be, however, that at least some of the members of the Council had other Resolutions in mind concerning the status of the Palestine Liberation Organisation (PLO). This interpretation is borne out by the statement of the President of the Council, who happened to be a Russian, immediately afterwards: "It is the understanding of the majority of the Security Council that when it reconvenes on January 12, the representatives of the PLO will be invited to participate in the debate."

It was clearly not the understanding of the whole of the Council. Mr. Daniel Patrick Moynihan, for example, said that the President was merely giving the views of "some members" and

the British representative, Mr. James Murray, was considerably sharper.

In other words, in their anxiety to extend the mandate for the UN force before the deadline expired, some members were prepared to accept an ambiguous Resolution. There appears to be no commitment that the PLO will be heard in the debate on January 12 and Israel ought to be able to relax on this score without going through another crisis in its relations with the U.S. In effect, whatever it may have thought, the Israeli Cabinet was yesterday rejecting not a Resolution, but an interpretation.

Indeed, it would have been intolerable if the Syrians and the Russians had been able to force their own conditions for the renewal of the mandate on the Council in this way.

Impasse

Nevertheless, the renewal of the mandate is not an end in itself. It is also intended to provide an atmosphere conducive to further efforts towards a settlement and it has to be admitted that present peace-making attempts have reached something of an impasse. Dr. Kissinger had hoped to follow the second Israeli-Egyptian agreement in the Sinai with another on the Golan Heights, but the Syrians have shown no inclination for that anyway—because of the terrain—would have been a much trickier negotiation. Thus it is beginning to look as if new avenues will have to be explored—whether at the UN or through a resumption of the Geneva Conference, for at present it is the militants who are regaining the initiative.

Yesterday's Pilcher Committee report spells out the continuing problems of property companies. Quentin Guirham examines its implications for the implementation of the Community Land Act

Offices: the brakes stay on

WHEN in January Mr. Anthony Crosland appointed an advisory group on commercial property, with a brief to see how Britain's future new offices, factories and shops would be affected by Labour's third attempt to nationalise development land, the developers themselves complained bitterly that they were not represented on the committee headed by Sir Dennis Pilcher.

Labour's second attempt to administer nationalisation, the Land Commission of 1967 to 1970, had at least included the most successful post-war developer of all, Lord Samuel. But the Pilcher Committee was not to follow this precedent.

This was no surprise. The developer had, in a final spiral of property values in 1973, lost all sympathy from the public, from most of industry and from the political parties (it was Mr. Anthony Barber who had curbed property lending and introduced First Lettings Tax and Development Gains Tax).

Thus, without friends, those who were responsible for most shop and office development were excluded from an advisory committee which was intended to tell the Secretary of State how the industry worked.

their ability to act as efficient landlords. It asks central and local government to speed up the processing of planning applications, urges central government to make future tax liabilities on commercial property more certain than they are at present or have been in the past, and argues (a point it was especially asked to consider) that 60-year leases, as the Government first proposed, are usually unsatisfactory—the exceptions might be some industrial schemes. Instead, it sees "the desirability in many cases" of leases of 125 years or more, even suggesting that in special cases local authorities

Not another cross

As it happens, the developers need not have regarded Pilcher as yet another cross to bear. Sir Dennis, as adviser on business rents to Mr. Crosland, was influential, along with the Bank of England, in arguing for the lifting of the commercial rents freeze. His committee included institutional voices, from the Prudential Assurance and the miners' pension funds, who could argue the case for an adequate return from commercial property far more effectively than any company could, since the institutions are both socially-acceptable and have what money there may be in fund new developments in the early years of the new land scheme.

So the first report from Pilcher, completed at speed so as to be of use in framing the final details of the Community Land Act and published yesterday, starts off by quoting the institutions' case: "The return on the capital employed in commercial property development, and the detailed terms of the investment, must be adequate compared with alternative avenues of investment, due account being taken of the company risks."

It argues against the prospect of local authorities being able to become sole developers to any great extent, and queries

might be able to dangle the old-fashioned carrot of a freehold before reluctant developers. It argues, too, that property owners should have a right, rather than a possibility, to exploit the Schedule 8 planning tolerance which has created more property fortunes than any other planning regulation.

The long-term message from Pilcher is, in short, that if there is to be a continuing stock of new commercial buildings then, land scheme or not, most of the money will have to come from the private sector. This is a message which has been apparent all along to those concerned with framing the Community Land Act and the Development Land Tax. Mr. John Silkin, who is responsible for the Land Act, has always said that he did not aim to take the speculative possibilities out of buildings, only out of land. Whether it has always come across like this, either among his own Left-wing or among the Opposition, is not so clear.

Meanwhile, Pilcher's immediate conclusion is that, even allowing for regulations under the Act proving favourable to investors, private funds of this sort will not be forthcoming in

the near future.

"Development schemes will only be viable if there is a substantial reduction in the rate of inflation and in the rate of interest charged for funds. Without such a reduction, little new development will be undertaken, and a diminution of new space can be expected in two-three years," is how the report sums up the situation.

The development appraisal statistics included in the Pilcher Report, reproduced here, show how, for the moment, possible planning gains have become of much reduced importance simply because most office developments do not look

HOW SITE VALUES HAVE CHANGED

EXAMPLE 1: CENTRAL LONDON OFFICE DEVELOPMENT
 (250,000 sq. ft. gross 200,000 net)

	1970	1975
Net revenue—200,000 sq. ft. (net)		
Estimated rental value @ £5.50 sq. ft.	£1,100,000	@ £11 £2,200,000
Capitalise at developers rate of return (years purchase in perpetuity @ 8%)	12.5	@ 10% 19
Therefore, limit of expenditure possible on construction, on-costs and site acquisition	£13,750,000	£22,000,000
Less: Construction costs 250,000 sq. ft. (gross) @ £12 sq. ft.	£3,000,000	@ £40 £10,000,000
On-costs @ 36%	£1,101,250	@ 45% £4,527,500
Total development costs	£4,101,250	£14,527,500
Balance to site (on completion of development)	£9,648,750	£7,472,500
Defer for unremunerative planning and development period up to full letting of offices 31 years @ 8%	0.764 41 yrs @ 15%	0.534
Present value of site	£7,371,645	£3,990,315
Site as a percentage of total cost	531%	18%

gearing. Others have been forced to sell and are still acting very much under the orders of their bankers. This is despite record investment in property in 1974 by the institutions, much of it done to save the development companies from bankruptcy with the consequent repercussions on their bankers. Insurance companies put 42 per cent of their investment funds, a total of £352.5m., into property last year. The pension funds invested £112.8m.

That the institutions have continued to invest heavily in property this year is shown by the decreasing yields they are accepting when buying the best

major post-Pilcher decision, Mr. Silkin yesterday did not go so far towards attracting institutional money as the report suggests. While the committee found that there was no objection in principle to investing in leaseholds (though 70-80 per cent of insurance funds are in freeholds), it did suggest that the main effect of short leases, by which it meant "rather less than 99 years," would be to diminish greatly the price which authorities would get in selling sites for commercial development "even if institutional interest could be secured, which seems unlikely on their present investment policies."

What is perhaps the most revealing note in the report is left to the concluding page. Among the wide range of eva-

tions on which, in the absence of funding for development companies for an indefinite period, his scheme rests. His argument is that 99 years is a guideline and that the length of lease is a matter of fashion. Whatever the origins of the 99-year lease (no one seems quite sure, but it is thought to relate to 19th century Stamp Duty provisions) they have been popular in the past and Mr. Silkin does not see why they should not become acceptable again.

What is perhaps the most revealing note in the report is left to the concluding page. Among the wide range of eva-

EXAMPLE 2: MAJOR PROVINCIAL CITY OFFICE DEVELOPMENT
 (72,000 sq. ft. gross 60,000 net)

	1970	1975
Net revenue—60,000 sq. ft. (net)		
Estimated rental value @ £1.40 sq. ft.	£84,000	@ say £3.50 £210,000
Capitalise at developers rate of return (years purchase in perpetuity @ 8%)	12.5	@ 10% 10
Therefore, limit of expenditure possible on construction, on-costs and site acquisition	£1,950,000	£2,100,000
Less: Construction costs 72,000 sq. ft. gross @ £8 sq. ft.	£576,000	@ £25 £1,800,000
On-costs @ 26%	£153,600	@ 34% £622,500
Total development costs	£729,600	£2,422,500
Balance to site (on completion of development)	£1,220,400	—£722,500
Defer for unremunerative planning and development period up to full letting of offices 24 years @ 8%	0.825 3 yrs @ 15%	
Present value of site	£164,330	MINUS
Site as a percentage of total cost	25%	MINUS

Part of the institutions' case may be countered simply: of course they will buy freeholds if they are available, but if they are not, they will change their ways. This is largely true, though in an interim period it does risk a two-tier market in which the freeholds are drastically chased up in value, not something the Government particularly wants.

However, Mr. Silkin's decision to go for 99-year leases—with authorities having to ask central government for permission to grant longer ones—means a greater rethink of property investment policy if the institutions are to co-operate than might at first seem apparent. Taking a long-term view, which they have to do, it will mean that, at any one date in the future, the average life of a fund's leasehold investments will be 30 years or less. This, particularly for life funds, means a complete change from the present policies, based on actuarial considerations, which tend to make them sell leases once they are down to 75 years.

In this first decision, therefore, Mr. Silkin has not gone far towards pleasing the institu-

MEN AND MATTERS

Barkway comes back

First Talisman Investment Trust has not had the most distinguished of corporate careers since it came to the market in 1972, and the man behind the company which is taking it over comes from a merchant bank which has a history as turbulent as many over the last few years. Dennis Barkway left Bankers Edward Bates last August and simultaneously set up Energy Finance and General Trust with a capital—paid cash on the nail by himself apparently—of £100,000.

Now Barkway is returning to dealing with a modest £143,000 bid for First Talisman, and it will be interesting to watch the progress of the new venture. First Talisman came to the market at an offer price of 70p a share, and after a foreign currency loan went badly against the company its asset value dipped as low as 3p a share; currently it is estimated at around 41p—or 2p below the offer price from Energy Finance.

Barkway left Bates apparently amicably according to all concerned, and the fact that he left with money is evident not only from the formation of EFG, but also from the fact that he personally bought a near 30 per cent stake in another public company, Hamitour. Other directors in Energy Finance have also been involved in fairly turbulent situations. Cecil Benzecry was a former legal director with Jessel Securities—now apparently headed for liquidation, while Richard Eldridge is the Eldridge of Eldridge Stableford—which is already in the hands of a receiver.

One of First Talisman's more interesting unquoted investments is Vidacope Finance, a company formed specifically to hold the rights for the film of the Muhammad Ali (of Cassius



"Nastase leads by five tenthrms to one."

Tax avoidance

There was strong evidence of embarrassment at the headquarters of the prestigious City insurance brokers J. H. Minet yesterday afternoon, when faced with inquiries about a somewhat bizarre new life assurance investment scheme which employs some spectacular tax avoidance expertise.

Minet's firmly refused to discuss the new life policy and it was left to their partners in the scheme, the life assurance subsidiary of merchant bankers Schroders—the finishing school attended by some of the best known City figures including the Governor of the Bank of England to fill in the background.

Schroders' life's actuary John Earle conceded that Minet's silence might be accounted for by the joint decision to "adopt a low profile on this. It is not the sort of thing we could put across in a newspaper" he ventured.

"This" is a deferred annuity investment scheme which will sound vaguely familiar to those who remember guaranteed income bonds. The complexity is that in order for the investor to avoid income tax, higher rate tax, capital transfer tax and even capital gains tax (yes, it is still possible) the policy has to be purchased by an employee of the agents selling it—in this case a director of Minet's.

The policy is then sold to the investor's wife, who must make a gift of it to her husband—so avoiding capital transfer tax. This circuitous route is necessary to avoid the provisions of

the 1968 Finance Act which said that if you assigned a life policy it was subject only to capital gains tax, not income tax. The conditions were tightened up in the 1973 Finance Act which said that you could not avoid income tax by assigning the policy to a "compliant colleague or close relative" it said nothing about directors of J. H. Minet.

Mr. Earle is confident that the scheme is "within the letter of the law."

But as with so many of these tax loopholes in the life assurance field it is not long before the Inland Revenue close the gap if too much money pours through. And they have been known to do it retrospectively which could land somebody with a substantial tax bill.

New president

British scientists see the award of a Nobel Prize and election into the Royal Society—in that order—as the highest honours that their profession can bestow.

Lord Todd, who won the Nobel for chemistry outright in 1937, at the age of 30, yesterday became the Royal Society's president for the next five years. The tall, burly Glaswegian

takes up the appointment in a year when one of Britain's most exclusive clubs—754 fellows—has decided to make itself a wee bit less exclusive. Henceforth it will elect 40 new fellows a year instead of the customary 11.

Lord Todd of Trumpton, a life peer since 1962, is a Cambridge chemist of commanding presence and forthright manner, of whom one colleague comments: "The proper place to hear him is in the aisle of Glasgow Cathedral."

Ever since he was offered a chair at Manchester at the exceptionally tender age of 31, his technical advice has been eagerly sought by his peers. Once asked by a chemical company what he would do about one of its research centres, he said brusquely: "Halve the number of people and double the temperature."

Unofficially, he has lent his name to a unit used in chemical circles, the "micro-Todd"—a measure of the standard of laboratory accommodation for chemists. His new chemical laboratories at Manchester soon after the war set a new standard for industry and university alike in a profession notorious for the cramped and evil-smelling working conditions.

Freudian?

Yesterday I justified printing someone else's misprint by balancing it with one from my own paper. To-day I plead coincidence as the reason for picking up The Times Financial Editor's column. As I was reporting the Guardian's "Long dated guilt-edged stocks" The Times was talking about "traps in drawing investors into disastrous long-term guilt investments."

Perhaps this is less criticism of colleagues, and more backing for the theory of Freudian slips?

SUCCESS STORY

Honeywell

LONDON BOROUGH OF HILLINGDON

MARK III*Network Information Services, distributed by Honeywell, are now being used by the London Borough of Hillingdon.

The new time-sharing package, CAPPS (Computer Aided Project Planning System), designed by Hillingdon itself, is helping the Borough to prepare, co-ordinate and control programmes and budgets for a wide range of projects. At the same time, each level of management is given relevant information. It is presented in a form which is readily understood and provides the basis for action—covering progress against programme, spending against budget, future workload and future demands on resources.

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*Trademark of General Electric Company (USA).

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هناك اعداد الاحتمال

SOCIETY TO-DAY

BY JOE ROGALY

When doctors behave like dockers . . .

THE DOCTORS are wrong. They should return to work immediately. This applies both to the junior hospital doctors and to consultants, who are being previously ill by the British Medical Association. There is no justification for the extreme action that is now being advocated; on the contrary the fact that some doctors are clearly willing to put patients' lives at risk will quickly lose them any public sympathy they might now enjoy.

Not everyone will agree with these propositions. Some people harbour a vision of the doctor as a sort of rock brigade of militant professionals, leading the defence against the collectivist excesses of the Labour Government. In support of this it might be said that the leaders of the lower-paid workers in the health service have themselves precipitated the crisis by regarding paying patients as a kind of *nerfherd*, whose physical ill-being is expendable in the interests of furthering their own vision of the class struggle.

New word

Indeed some of the remarks about private patients by representatives of the National Union of Public Employees (NUPE) and the Confederation of Health Service Employees (COHSE) have led me to wonder whether we need a new word in our vocabulary. I would suggest "class-ist", or "racist" and "sexist", meaning someone who incites class action against individuals merely because of their social class to which they belong. The current

fashion of attacking everything "middle class" (which has led to hospital workers refusing to clean rooms or provide linen or food for certain patients, nurses refusing swimming-pool space for children from private schools and so on) is starting to have a similar effect to attacks based on ethnic origin or gender of particular individuals.

Yet none of this justifies what the BMA is doing. For the first time in its history the Association has called on all its doctors in hospitals to treat emergency cases only, when this is translated into the militant trade union language that best describes it, what the BMA has asked for is something very close to a strike. It has asked family doctors to support the action, in the spirit of solidarity. And, as part of a quite separate dispute, it has asked the consultants to start their own near-strike (or "go slow," or "work-to-rule," if that seems to fit better) and to organise action committees in every area in an effort to maximise the harassment.

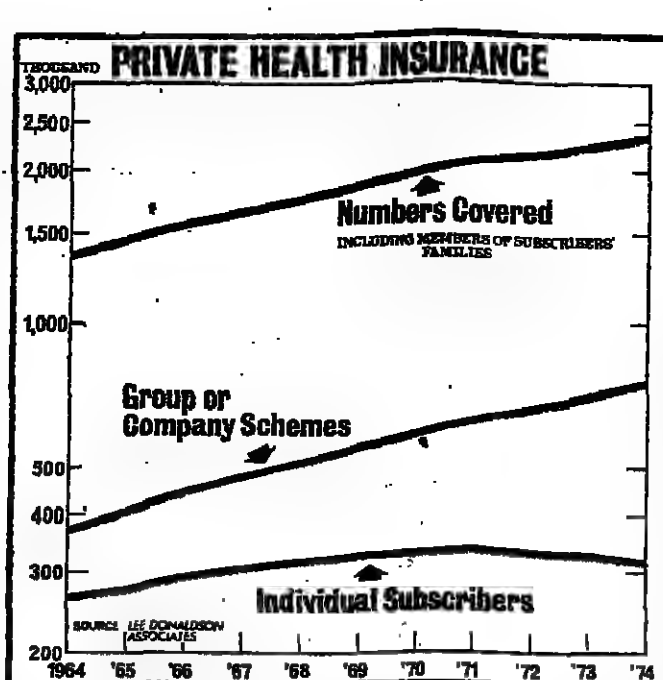
It is just possible to imagine circumstances in which this kind of thing might seem the only choice left, but no such circumstance exists to-day. We have 100,000 ancillary workers and are not occupied by a foreign invasion. We do not suffer under a totalitarian Government. There are 5,000 nurses and 70,000 other health workers. Revolution has not appeared on the streets. It is true that some unpleasant aspects of the battle between the classes which is Britain's fundamental weakness have recently become manifest, but none of this has yet reached a level that even approached a level that might explain (if not excuse) the risking of patients' lives.

Again, it might be said that the National Health Service is under great strain. Its morale has been weakened by last year's re-organisation. Mrs. Barbara Castle, does seem to put some people's backs up. The impending cut in Government spending on health hangs like a black cloud over the whole service. All this is true; none of it is a good reason for the doctors' near-strike. A properly responsible BMA would see this as a time for stretching itself to the limit to build up the strength of the Health Service rather than attack its roots.

Disputes

There are two separate disputes. The first, which is to do with the income of the junior hospital doctors, is a straightforward battle for more pay. The BMA hardly acknowledges this; its ground has shifted over time, partly because it has felt the hot breath of rival trade unions down its neck. But what it is now asking for is more money and — in spite of its protestations — it wants a sum that could be awarded only at the cost of destroying the Government's entire pay policy. This is as true of the doctors to-day as it was of the miners in February, 1974, and the Labour Government would be as wrong to give in to the doctors now as the Conservatives would have been then.

I say this as one who deeply mistrusts the political background to the present wage control policy, arranged as it has been by backroom deals between Ministers and a few trade union leaders and blessed by the acquiescence of the "Oppo-



sition." There may be — a strong case for a political counter-attack against the kind of wheeler and dealing that has led to the policy. There is no case whatever for the doctors using patients as gun-fodder in any such attack.

Of course the junior doctors may not see it that way. They do not like their contract, their rate of pay, their hours of work, or the amount they get for overtime. This is understandable enough. But it has to be said in reply to their complaints that Mrs. Castle, for all her sins, has shown a willingness to make every kind of adjustment to the offered terms, including something very close to bending the pay policy, in an effort to meet the junior doctors' needs. Her latest offer (to ensure that no

Annerin Bevan when the NHS was founded. There is little doubt that, if it had not been for this historic compromise, there might have been no NHS. The Government might at least hold back until its Royal Commission reports; it is not an unreasonable request.

On the other hand it is true that in both elections in 1974, the phasing-out of private beds was part of the winning party's manifesto. The people as a whole may not have voted consciously for the policy, but under the existing constitutional rules the Government is within its rights to put a Bill before Parliament. The BMA would be justified in lobbying, and campaigning, and protesting, and even encouraging resignations from the NHS in a normal pressure-group operation designed to counteract the Bill. They have no case for supporting a work-to-rule which could have the effect of causing great suffering to innocent people, or even the death of some patients.

Principle

It should also be clear to the consultants that there is a great difference in principle between excluding private beds from publicly-owned hospitals and abolishing private practice altogether. The BMA reply might be that, in country districts, the one is effectively the same as the other, since it would be uneconomic to build nursing homes to replace a handful of private beds in sparsely-populated areas. This may be true; it is probably also true that a carefully staged phase-out, with co-operation

between the profession and the Government, could overcome the problem.

The consultants would be on far stronger ground if they concentrated their fire on the proposal to license private hospitals and nursing homes. As put forward by Mrs. Castle this would ration the quantity of private practice to the amount prevailing in March 1974. It is which is based on figures in the latest annual study of the private sector prepared for the Department of Health and Social Security by Lee Donaldson Associates. These show that the number of individual subscribers to health insurance schemes is falling; all the growth is in group — mainly company — subscriptions; while most of the claims are for once-only treatments of patients who mainly use the NHS for "every-day" medicine.

If the growth pattern really did take off in such a way as to threaten the existence of the NHS (and all the evidence is that it will not) a Government of any political colour would become anxious. In its more sensible moods, the BMA presumably understands this; if the Government was in the right frame of mind the result could be an unwritten agreement that the BMA would itself prevent the private sector from getting out of hand. That would be self-rational, but it need not be onerous, or a real breach of principle, unless we become much richer and demand for private treatment really exploded. These are the lines on which politically intelligent medical leaders should be thinking; meanwhile they should do all they can to send their militants back to work.

Letters to the Editor

Little Neddy growing pains

Mr. A. Taylor.
I have served on two of working groups under the new plant working party, the recent of which is currently reaching the end of a day of the heavy fabrication industry in the U.K. and coming to its own conclusion. The study referred to by Peter Parker (November 28), has been undertaken by out-consultants and has been mainly supported by NEDO, and industry.

Share Peter Parker's views on no other forum exists. The Government, trade unions management can all down hammer out a set of logical conclusions about the state of industry sector. I hope that our particular case we will be able to follow the Clothing Co's example and produce agreed recommendations. I have a good chance of implementation. DCs must have the support active participants from the sides involved and as the agencies are identifiable it could be possible to enlist the support now that the state of industry is based on planning seems right. The EDs must be satisfied that the homework on local and sector economic sections is being carried out. I must confess that I feel the misgivings expressed by Owen Nutt, of Associated Portland Cement on November 28th at the conference on medium planning in Carlton House. He was not convinced the existing models and assumptions being used for long term assessments were having an impact on business plans. I hope therefore that NEDO be able to give a lead here to ensure that we are dealing with pragmatic forecasts meaningful to industry. The are vitally concerned how the trade cycle is, not just what the trends

mission system were abolished, they would be in a much better position to do this. Advertisers should pay agencies a fee for their services, and they could then act in the best interests of their clients by opposing media cost increases without penalising themselves. The commissioning system is an anachronism, and it is time that it was abolished.

Alan Macbeath,
North West Marketing,
352, Borough Road,
Birkenhead.

Help for small businesses

From Mr. G. Shroud.
Sir — The point highlighted by Sir Edmund Bedingfield (November 28) is surely that so many small and family-controlled businesses have failed to realise how quickly they have become overtaken by current trends.

The increasing interaction of world prices, demand and supply of raw materials and the development of export markets are all vital questions which require to be carefully considered on a regular basis. Many of these small companies are unable to cope and, in many cases, there is an attitude of "we have got by without it before." In consequence, the management consultant team is brought in far too late.

There is, perhaps, a requirement to provide a nucleus of trained management from existing sources to provide a buffer between those so able in their own sphere, but overtake the unforeseen difficulties. It would perhaps be possible to make appointments in a non-executive capacity from those having reached retirement age and who would be willing to accept attachment to a company for two/three years. Recruitment could well come from the larger financial institutions where many senior staff have a wide sphere of contact with industry and, above all, people.

Gordon C. Shroud,
16, Vereker Drive,
Saxbury-on-Thames, Mddx.

Local authority spending

From Mr. D. Bridgehouse.
Sir — Over 90 per cent of local authority expenditure is in respect of services which the council is strictly obliged by parliament to carry out, under legal penalties, and, nowadays, the other penalty of being barred and insulted in the Press. In the last few years Parliament has trebled the new services and the standards required in the older ones. MPs have "solved" the problem of the "lonely poor" or whatever. At that point, 60 unpaid councillors and several hundred grossly over-worked people in the welfare department have yet a new job to do, with little or no new staff, no instructions, no capital, and no equipment or whatever. Simply ask someone on your staff to implement the legislation, at the level where it is enforced, that is, environmental health service.

The largest part of expenditure is wages and salaries. The council, of course, has no control whatever over the levels of salary it must pay; all of that is decided by various national bodies such as the Whitley Council; when the "award" comes up, you pass it even if it makes a total nonsense of all your budgeting. The next item in importance is interest on your capital projects. If you do not have a vast capital pro-

gramme, you are hopelessly reactionary; if you do, interest rates vary at a pace to make your treasurer's computer dizzy. Inflation has merely brought this nonsense to a new pitch.

So far as control is concerned, it is equally hypocritical to say that central control could not be carried out. The French Ministry of Finance could tell you within 20 minutes what was being spent on any given item in any one of the 37,708 communes. Great George St has infinitely fewer people to deal with, especially since "reform." LA accounts are extremely exact and detailed and readily available along with forecasts.

The question is how much longer unpaid councillors and badly overworked LA officials are going to continue in the dual ploy of stultification and uncensored duty, and reavelling.

D. P. Bridgehouse,
10, Place Ramus,
Aix-en-Provence,
13100, France.

Harland and Wolff

From Mr. J. Nevins.
Sir — I have been in correspondence with the Department of Commerce, Belfast, about the treatment of holders of Cumulative Preference shares in Harland and Wolff, and the courteous replies received have been informative if unsatisfactory.

On the rates of compensation (Preference 8p in the £1, Ordinary 9p) the Department assures me that this was not influenced by the Government's large holding of Ordinary stock. The choice of the short period (six months) of average market prices was made in the interests of the taxpayer.

On the arrears of dividend on the Cumulative Preference stock, the company's articles state that no dividend was payable otherwise than out of profits. No special treatment was afforded on take-over by the Government, as there had been no profits.

The assets of the company were fully charged as security for loans, and on liquidation there would have been no return to stockholders. Preference shares held no priority.

No special meeting of shareholders was called at which protests could have been made, since it was felt that this would not have solved the problems facing the company; indeed, it would have added another problem.

I feel that the facts about Harland and Wolff should be published in order to warn shareholders in any company — shipbuilding, aviation, motor industry, etc. — of the risks they run in retaining their shares as soon as there is any talk of nationalisation. Governments opposed in principle to private investment should hold to the new definition of a preferential creditor, recorded in your issue of November 28: "The first person to be told that there is no money left." Harland and Wolff Preference shareholders were not afforded this favour.

J. L. Nevins,
18, Hyde Park Place, W.2

Life company mortgages

From the Managing Director, Alderm Ltd.
Sir — Following Mr. Eric Short's article "Life Company Mortgages" (November 29) in which he states that he is disturbed that without profit I endowment policies are still being sold when bonus reinforced policies are available, might I Research University of Warwick, Coventry, Warwickshire.

Inside the AUEW

From Mr. D. Rooper.
Sir — The Assistant General Secretary of the Amalgamated Union of Engineering Workers (Engineering Section), Mr. Roberts, has introduced some novel thinking into the first paragraph of his letter of November 27. According to him a postal ballot is not democratic because some of the voters "do not normally take an active part in union affairs." In his own phraseology, Mr. Roberts might just as well say that universal suffrage is not democratic because some of the voters do not normally take an active part in political affairs. The sheer arrogance of this men- tal leap in assuming that only the active members deserve a vote is only equalled by that of the Communist Party leader in Portugal who has openly admitted that he is not interested in the will of the majority.

For some reason Left wingers wish to impose their views on everyone else and, by manipulating the rules to their own advantage, in some areas they have certainly progressed towards their goal in an alarming way, so one has to recognise the determination. But Mr. Roberts is being a trifle ridiculous when he lectures about democracy. I don't think he understands the meaning of the word.

D. R. Rooper,
45, Queens Gate Gardens,
S.W.7.

Non-accountants identified

From Professor J. R. Perrin.
Sir — In the closing paragraph of my letter (November 27) I wrongly interpreted Professor Edward Stamp's "but they are all amateurs in accountancy, and the report shows it" as referring to all members of the Sandilands Committee, whereas it has now been pointed out to me that they are all literally referred only to the plus non-accountants on the Committee. I regret any distress caused to Professor Stamp or others by this error. My error arose from a misunderstanding. I failed to see how the words "and the Report shows it" (that is, shows "amateurs" could make sense unless "they are all" referred to the membership of the Committee as a whole, as I did not realise that the contribution to the Report of the non-accountant members could be separately identified.

To-day's Events

- GENERAL: The Queen and Duke of Edinburgh attend Newspaper Society reception, Stationers' Hall, EC4. EEC summit meeting ends, Rome.
- President Ford continues visit to China.
- Parliamentary Labour Party begins two-day debate on devolution White Paper.
- CBI Economic Policy Committee meets, London.
- Mr. John Ryman, Labour MP for Blyth, and his agent, appear before Blyth magistrates on summonses alleging corrupt practice in declaration of election expenses in October 1974 General Election.
- West European and Japanese shipbuilders discuss capacity in world shipbuilding, San Francisco.
- GATT Textiles Committee meets, Geneva.
- Mr. Jeremy Thorpe, Liberal Party leader, addresses Industrial Forum on "Can Democracy meet the Challenge of Inflation," Barrington House, Gresham Street, EC2.
- Financial Times conference — The Private Sector in Tomorrow's Economy — ends, Copenhagen.
- Mr. Eric Varley, Industry Secretary, addresses annual meeting of London Region, National Graphical Association, House of Commons.
- Airedale Motorway Inquiry resumes, Shipley, Yorkshire.
- PARLIAMENTARY BUSINESS: House of Commons: Second reading of Aircraft and Shipbuilding Industries Bill. Debate on financial assistance for Alfre Herbert. Remaining stages of OECD Support Fund Bill and Moneylenders (Crown Agents) Bill.
- House of Lords: Debates on EEC energy policy strategy; conversion trade training; educational and community service opportunities; and recreational facilities for unemployed.
- COMPANY MEETING: Acorn Securities, Regis House, King William Street, EC, 2.30.
- COMPANY RESULTS: Rank's Hovis McDougall. (full year).
- Standard Chartered Bank (half year).
- Swan Hunter Group (half year).
- OFFICIAL STATISTICS: Sterling gold and convertible currency holdings (end-November).
- Capital issues and redemptions during November.
- EXHIBITIONS: International Woodworking Industries Exhibition opens, Olympia.
- Custom Car Show opens, Olympia.
- Royal Smithfield continues, Earls Court.



National Westminster announces the opening of two branches in Scotland.

National Westminster Bank provides the most comprehensive branch and service coverage in Western Europe of any British financial institution.

It has now opened two branches in Scotland, one in Edinburgh and one in Glasgow, to assist customers who have business interests there.

Edinburgh: 80 George Street. Manager: MV Fortune.
Glasgow: 14 Blythswood Square. Manager: R W Seager.

National Westminster Bank

NEW ISSUE

All of these Bonds have been sold. This announcement appears as a matter of record only.

November 7, 1975



INDUSTRIAL MORTGAGE BANK OF FINLAND LIMITED

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Banque Belge pour l'Industrie S.A. Banque du Benelux S.A. Banque Bruxelles Lambert S.A.
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Norddeutsche Landesbank Girozentrale Norddeutsche Bank Postbank Post- och Kreditbanken, PKbanken
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Svenska Handelsbanken Swiss Bank Corporation (Overseas) Union Bank S.A.L. Union de Banques Arabes et Européennes - U.B.A.E.
Vereins- und Westbank J. Vontobel & Co. Westdeutsche Landesbank Girozentrale Williams, Glyn & Co. Wood Gundy

COMPANY NEWS

Chaddesley valuations

The current year's policy of the directors of Chaddesley Investments is one of "utmost caution and economy," chairman Mr. J. M. Finn tells members in his annual statement.

Urgent consideration continues to be given to reduce the interest burden still further by the sale of low-yielding properties, and overseas expenses are being cut wherever possible.

The chairman says the future for small property companies is "still not particularly encouraging. We must and we will continue the trading loss which has been a drain on the group's resources in the past two years and when this has been achieved we can view the future with more confidence."

As reported on November 20 the group loss before tax and extraordinary items totalled £138,425 (£11,986) for the year to March 31, 1975.

The directors have again reviewed valuations of the group's investment properties in the light of the present depressed conditions in the property market.

Having reduced the value of properties which have been sold subsequent to March 31, 1975 to the net proceeds of sale, they have concluded that, in total, there was no material difference at March 31, 1975 between balance sheet values and current market values on a basis assuming a willing buyer and a willing seller.

They have recently made an assessment of the value of group properties on the basis of a forced sale. This indicates a total value of investment properties of £832,000 compared with Balance Sheet values of £868,882 but it is not considered appropriate to incorporate this assessment in the accounts. "The auditors say they are unable to express an opinion on these valuations."

Group indebtedness to its principal bankers has been considerably reduced as a result of property realisations since March 31, and assurances have been received that continued financial support at the reduced level will be available until November, 1976, when the principal bankers will review the position.

In the directors' opinion this level of support is adequate for the group's requirements. "At October 31, 1975 First National Developments held 1,110,703 shares in the group and Kenley Investment Trust (in liquidation) held 430,000."

Meeting, Winchester House, E.C., on December 22 at 10 a.m.

Wolverhampton Die-Casting modernisation

Mr. A. M. Wheeler, chairman of Wolverhampton Die Casting Group told the annual meeting that the directors would continue with the plant modernisation programme to take advantage of any

new situation whenever it came. He said that, in company with many other industries in the engineering sector, the group was trading profitably following adjustments in costs to meet the lower level of activity.

While there were gloomy forecasts about the U.K. economy, there were signs that the initial de-stocking period might be near a peak and the recession beginning to bottom out, Mr. Wheeler added.

Through Carifon Investments, Gardiner is a member of the London Merchant Securities group.

After a first-half setback, Gardiner Sons and Co. is expecting a small pre-tax profit for the year ending March 31, 1976. In the previous year the group made £107,000.

The first half to September 30, 1975, has resulted in a loss of £27,015, compared with a profit of £86,756 from turnover of £4,244m. against £4.54m.

The aluminium window division had to go on short time for a period, and the losses incurred were partially compensated by "very good trading" in the builders' merchant division.

The aluminium window factory is now back on full time and it is expected that group results for the second half will be sufficiently improved to produce a small profit for the year.

Figures for 1975 exclude the turnover and profit contribution from Gardiner Refrigeration and Air Conditioning.

Turnover 4,542,000 4,244,000
Interest paid 75,127 100,282
Loss before tax 27,015 86,756
Tax recoverable 35,000
Minorities — 9,136
Attrib. profit 35,868 79,608

TESCO

Turnover up by £44 million to
£265,000,000
Net profit before tax up to
£9,381,000

The Chairman of Tesco Stores (Holdings) Limited, Mr. Leslie Porter, reports on the unaudited results of the Group for the 24 weeks ended 8th August 1975.

	24 weeks to the 8th August '75	24 weeks to the 10th August '74	% change
Turnover including VAT	264,626	220,393	+20.07%
VAT	7,133	5,972	
Net Profit Before Tax	9,381	8,362	+12.18%
including interest	(3,64%)	(3,90%)	
Net Margin			
Interest receivable			
less payable	800	383	
Taxation (52%)	4,878	4,348	
Net Profit After Tax	4,503	4,014	
Dividend	1,818	1,682	
Dividend per share	(0.5750p)	(0.5388p)	
Retained Earnings	2,685	2,332	
Earnings per share	(1.43p)	(1.29p)	

Tesco profits lift in first half
Tesco profits rose 12.18 per cent during the 24 weeks to 8th August, 1975 from £8,362,000 to £9,381,000, despite substantial increases in costs. As a result of savings made during last year, increased wages have been a major factor. In other areas strenuous efforts continue to be made to combat the increasing costs of operating the Group.

Gross margins have declined as a result of the Company's policy of keeping prices down to maximise turnover and also as a result of the Government's price control legislation.

Store Development
Our development programme is on schedule. By February 1976 we will have increased our sales area both from new store openings and extension of existing stores by almost 600,000 sq. ft. Only five of these stores were opened by 8th August, 1975, the remainder being scheduled to open during the second half of the year including 17 at 72,400 sq. ft.

Current Trading and Future Development
Current turnover trends are encouraging and all indications point to a satisfactory period of trading through to Christmas. Our promotional efforts, especially in Home 'n' Wear, have proved highly successful and we are greatly encouraged by the results achieved.

Trends indicate that the profitability for the second half of the year will be materially higher than in the period under review.

Dividend
The Board have declared an interim dividend of 0.5750p per share (0.5388p) which will be paid to shareholders on the register of members at the close of business on 8th January, 1976 and will be posted on 1st March, 1976.

TESCO STORES (HOLDINGS) LIMITED
Tesco House, P.O. Box 18, Delamare Road, Chesham, Herts. EN8 5SL.

Annual Statement—Contd.

SECOND BROADMOUNT TRUST LIMITED

PROGRESS MAINTAINED

The Chairman, Mr. E. B. Montrose, J.P., at the meeting of 0.32p per share which, recently held, said:

We have had a satisfactory but difficult year and net profits have risen from £99,001 to £101,539, over last year. The dividend The detailed valuation at the absorbs £75,097 compared with 15th September, 1975, amounted £73,487 for the previous year. to £2,865,765. Giving effect to The economic climate continues, each ordinary share is times to make it impossible to represented by 26.7p of assets. forecast future distributions Approximately 90% of our which must depend upon actual investments are equities in this results. Country and the Commonwealth. The report and accounts were adopted.

Your Directors are recom-

We've had 164 years of practice in doing business overseas.

Since Bowring first began to trade in St. John's, Newfoundland, over a century and a half ago, the world has been our market place.

The Group's constituent companies and subsidiary and associate companies can provide business and commerce with on-the-spot service in almost all the world's major areas of economic growth. In other parts of the world, active representation by correspondents has behind it the support of The Bowring Group.

This sense of global business strategy results in a giant inflow of funds to this country and is part of the reason why Bowring is one of the country's leaders in invisible earnings.

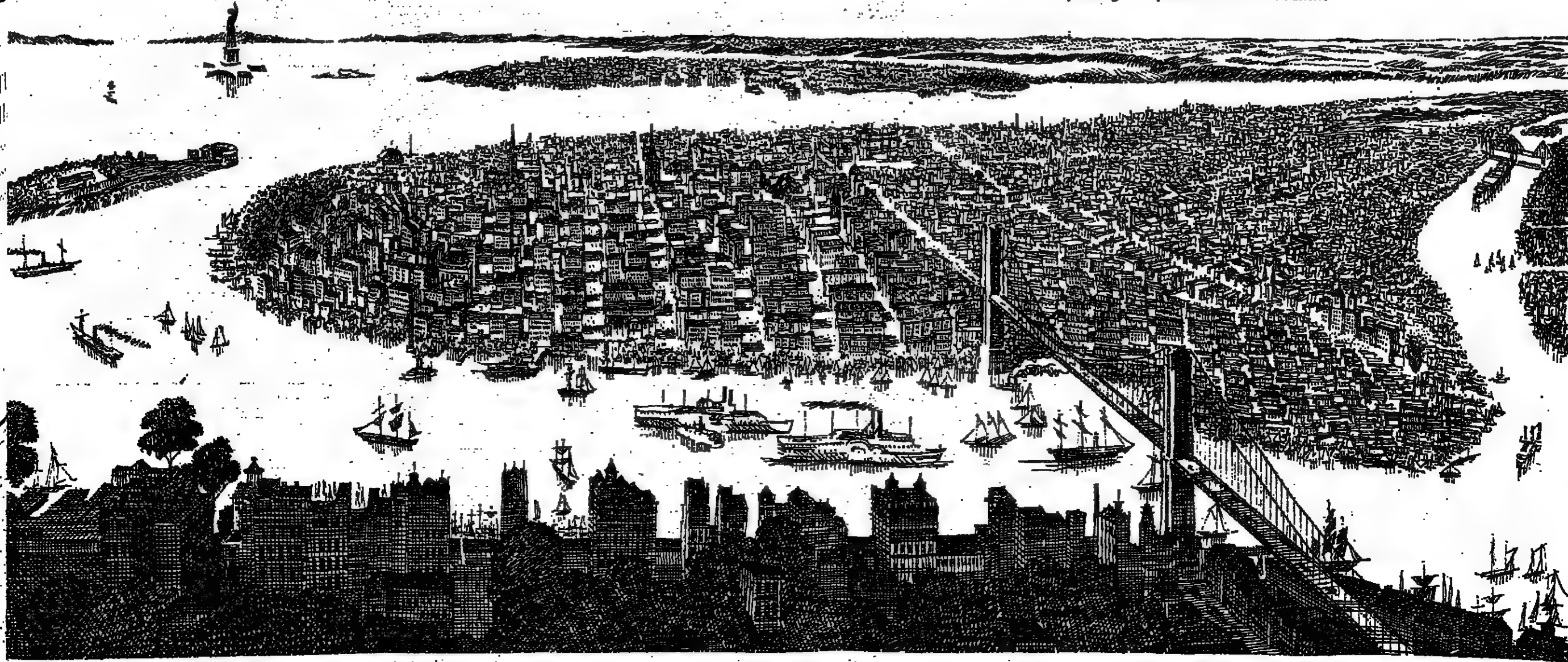
For the customers of the Group, it has the benefit of providing an unrivalled service. In the fields of insurance and reinsurance broking, insurance underwriting; credit finance and leasing through Bowmaker Ltd., merchant banking through Singer & Friedlander Ltd., shipping, trading and

engineering, The Bowring Group can offer facilities which extend throughout the United Kingdom and right across the world.

Bowring

C. T. Bowring & Co. Limited
The Bowring Building, Tower Place, London EC3P 3BE
Telephone: 01-283 3100 Telex: 888321

New York at the end of last century when Bowring was expanding its operations in North America.



PROFILE: LORD TODD

Chemist heads Royal Society

BY DAVID FISHLOCK, SCIENCE EDITOR

LORD TODD, Master of Christ's College, Cambridge, and a director of Plessey, was elected president of the Royal Society yesterday in succession to Sir Alan Hodgkin, president since 1970.

Lord Todd, 58, is among the half-dozen most eminent chemists in Europe. As Sir Alexander Todd he won the Nobel Prize for Chemistry in 1957.

Research

It was awarded for his success in analysing and synthesising nucleosides, components of the nucleus of living cells. His research laid the foundations for present-day understanding of the hereditary function of chromosomes.

Another outstanding achievement was his synthesis of vitamin B1 in 1938, when he succeeded not only in synthesising two parts of this complex molecule, which others had done, but in joining the parts.

The same year he was appointed Sir Samuel Hall Professor of Chemistry and director of the chemical laboratories at Manchester University. At the time



Lord Todd

chemistry in Manchester, despite its proximity to the chemical industry of the North-West, was at a low ebb. In the following six years Lord Todd transformed his department into one from which many of the leading figures of

British chemistry were to come.

As an eminent young organic chemist, he played an influential wartime role as a scientific adviser to the Ministry of Production, notably in development of insecticides and their associated potential for chemical warfare.

Later he developed close ties with ICI, serving with other famous academic chemists on an advisory panel helping to guide the research programme of what then was ICI's most fertile source of new ideas and talent, the research laboratories of its dyestuffs (now organics) division at Blakely, near Manchester.

Forthright

From 1952 to 1964 Lord Todd, created a life peer in 1962, was chairman of the Advisory Council on Scientific Policy. His forthright, no-nonsense approach to science policy decisions led disgruntled physicists to rename the council the Association of Chemists for the Suppression of Physics. But his ability, once convinced himself, to persuade other people that they should adopt a cer-

tain course of action is perhaps unrivalled among chemists.

He also made known his scepticism of the usefulness of the major expansion of university education in Britain recommended by the Robbins Report of 1963; but as chairman of the Royal Commission on Medical Education, which reported in 1968, he warned the Government that unless firm action was taken immediately, the National Health Service would be short of about 11,000 doctors by 1975. The Todd report called for an increase in the intake of medical students from 2,500 a year in 1968 to 5,000 a year by 1980. (The provisional 1974-75 figure is 3,415.)

As Master of Christ's College, an appointment he has held since 1962, Lord Todd is at the heart of Britain's leading school of chemistry today. But another academic post he takes very seriously is his Chancellorship of the University of Strathclyde, in Glasgow, his home town. He is a non-executive Board member of the National Research Development Corporation, an agency whose record of commercial successes is dominated by chemicals.

Science adviser job 'should be filled'

BY OUR SCIENCE EDITOR

A STRONG appeal to the Government to appoint a new chief scientific adviser to the Cabinet post vacant since Sir Alan Cottrell retired early last year, was made by the outgoing president of the Royal Society yesterday.

The need for central co-ordination would become acute if the country faced a sudden crisis involving science and technology, and most crises do, Sir Alan Hodgkin warned. Following his anniversary address, he said that it was disturbing and the post of chief scientific adviser unfilled in a year when the Government's reorganisation of science—following Lord Ashby's recommendations in 1971—came fully into effect. The post, "must be difficult to

fill and perhaps frustrating to occupy," he said. But he believed that there was a strong case for a high-level scientific adviser in the Cabinet Office. It was a widely held view that there was still not enough overall co-ordination of the scientific activities of ministries.

Capital injection

This could be rectified by appointing a chief scientific adviser who would bring together the heads of research councils and the departmental chief scientists.

Sir Alan believed that sooner or later the Government would have to inject capital into U.K. industry or allow them to generate it for themselves. "To judge from the experience

of countries like Japan," some of this capital should go into building up industrial research and increasing the declining number of scientists and engineers in industry.

A chief scientific adviser who could speak on behalf of industrial science and technology might help to reverse an "unfortunate trend" and could contribute to the modernising of U.K. industry.

Another important function, he said, would be to prevent central Government from being overruled on some new and very expensive technical project, or from "interfering unwisely in the technological side of industry."

More fancifully, as he put it, the Government might be faced with a major epidemic of rabies.

It would then have to deal with awkward questions, involving a mixture of science and politics, which would not fit easily into one research council or Ministry.

Examples were whether all foxes—or all dogs—should be destroyed, how widely inoculation should be used, and whether inoculation should be compulsory.

Five Ministries

Such questions would involve five different Ministries and several research bodies.

Although a chief scientific adviser would probably know little about rabies, he would know his way around Whitehall "and he would know how to get the best scientists to work both inside and outside Government."

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Market reacts: Dow is off 4

BY OUR WALL STREET CORRESPONDENT

AN EASIER TREND developed on Wall Street today, reflecting some tax-loss selling.

The Dow Jones Industrial Average reacted 4.33 to 836.34, while the NYSE All Common Index came back 28 cents to 847.96, while losses led gains by 876 to 510. Trading volume expanded 3.18m. shares to 16.05m.

Getty Oil fell \$4 to \$153.50. Brown Group \$1 to \$20. NCR \$1 to \$22. Tandy \$1 to \$44.10. Mountain Fuel Supply \$1 to \$29.10. Sperry Rand \$2 to \$40. and Hospital Affiliates \$1 to \$31.

Franklin Mint gave up \$1 to \$28. Digital Equipment \$4 to \$120.25. Moore McCormack \$1 to \$26.10. Overnite Transportation \$1 to \$19.10 and Rosario Resources \$1 to \$23.

Kennecott Copper slipped \$1 to \$29. The FPC denied its request for a further extension of the time for divesting Peabody Coal.

Reliance Electric declined \$1 to \$17, despite slightly higher fourth-quarter earnings.

Pan American Airways shed \$1 to \$37.10, obtained a new \$30m. revolving credit line.

Varian Associates advanced \$1 to \$33, on its development of an advanced ultrasonic scanner for medical research and diagnosis.

Cessna climbed \$1 to \$23.10, and Beech Aircraft moved ahead \$1 to \$33 on some favourable comments on their respective outlooks.

The American Sea Market Value Index rose up 0.47 to 85.35 and declines led advances by 378 to 243.

Synco lost \$2 to \$33 on lower first quarter earnings.

Norfolk rose \$1 to \$4. and Gerhart-Owen \$1 to \$24.

OTHER MARKETS

Canada again lower

Canadian Stock Markets were again lower in light trading yesterday.

The Industrial Share Index shed 0.42 to 178.58. Gold 1.43 to 255.55. Base Metal 0.21 to 205.84. Utilities 0.04 to 127.81 and Banks 1.40 to 259.31. But Papers put on 0.45 to 85.37.

Dominion Foundries and Steel "A" fell \$1 to \$23.10 and Rembrandt Jewellery rose \$1 to \$4.30.

Noranda lost \$1 to \$30.10. Bank dipped 20 cents to \$3.80 on a year-end loss.

OVERSEAS SHARE INFORMATION

NEW YORK

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PARIS—Mixed trend.

Banks, Financials and Chemicals were weak. Motors and Rubbers were mixed, while Stores gained ground.

Americans and Germans steadied. Oils and Coppers were mixed, while Golds were lower.

BRUSSELS—Mixed in moderate trading, with profit-taking cutting early gains.

Steeels continued their up trend. Cockerill put on Frs.38 to 970 and Clabeco Frs.280 to 5,110. Gains

Union Miniere rose Frs.22 to 1,215. Asturienne rose Frs.90 to 1,760. and Vieille Montagne slumped Frs.205 to 3,940.

Chemicals tended higher. Holdings eased. Electrical and Utility

shares finished steady, while Oils were narrowly mixed.

U.S. shares were steady. Germans little changed. Dutch issues were barely steady, while Insurances were quiet.

VIENNA—Narrowly mixed in restricted trading.

COPENHAGEN—Higher in active trading.

GERMANY—Generally firm at the start of the new month's trading.

Banks and Chemicals advanced between DM1 and DM2.50, while Electricals and Stores were well maintained.

Steel and Metals were mixed with Klockner-Werke up DM2 at 118. BMW added DM4.50 at 259 and Daimler lost DM1.50 to 352.

Dollar stocks were narrowly mixed, Dutch Internationals very steady, while Germans were generally well maintained.

OSLO—Banks and Industrials were barely steady, while Insurances were quiet.

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STANDARD AND POORS U.S. STOCK INDICES

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FARMING AND RAW MATERIALS

New fall in zinc market

By John Edwards

ZINC VALUES slid to the lowest level since the end of July on the London Metal Exchange yesterday. Cash zinc closed \$5 down at \$238 a tonne, following the fall of \$7.75 last week.

A hefty rise of 3.975 tonnes in zinc stocks in LME warehouses, raising the total holdings to 9,775 tonnes, had already been discounted by the market. So the decline was mainly due to the failure of any producer support buying emerging despite the lower levels plumed following the trend in other metals.

Meanwhile, Noranda of Canada became the second zinc producer to announce a change in its European product price notation from sterling (£390 a tonne) to a dollar (\$785 basis). Other producers are expected to follow the switch to a dollar notation, led by E.Z. Industries of Australia last week.

But there may be some delays because of the general impression that a considerable quantity of zinc was sold ahead at the price of \$380 a tonne, before the rise in 1975-76 was expected, copper stocks in LME warehouses rose by another 5,500 tonnes to a total of 29,900 tonnes. The American Bureau of Metal Statistics reported that the world stocks of zinc in 1975-76 were 1,161,300 tonnes.

A rise of 460 tonnes in LME zinc stocks, raising the total to 990 tonnes, was also in line with expectations but London zinc were depressed by the return in the Penang market for the week-end.

Lead stocks unexpectedly fell 180 tonnes, to 18,775 tonnes, at this year to 1976, but LME silver holdings also declined by 330,000 to 18,550,000 ounces.

Beet crop rise seen in EEC

RISE OF 15 per cent in the European Community sugar beet crop this year to 78.5m tonnes, compared with 68.7m in 1974, is seen by the Common Market statistics office, reports Reuters.

Significantly increased plantings more than accounted for the rise, it noted. Individual plantings, with 1974 comparisons in brackets, were: France 28.1m (21.9m); West Germany 18.1m (16.1m); Italy 10.1m (9.1m); Holland 8.1m (7.1m); Belgium 6.1m (5.1m); Denmark 5.1m (4.1m); Ireland 1.1m (0.1m); and U.K. 0.1m (0.1m).

Bigger world wheat crop forecast this year

By Peter Bullen

WORLD WHEAT production this year is now estimated to be 355m tonnes—3m tonnes higher than last year's output, the International Wheat Council said yesterday.

The figure, slightly up on their previous forecast, shows that the increase is likely to come from the developing countries whose share has risen from 20 per cent of world production last year to almost 25 per cent.

Communist countries share dropped by nearly three per cent to 37.1 per cent while the share of other developed countries remained fairly static with the U.S. increase offset by declines elsewhere.

Aggregate wheat production in developing countries has increased by nearly 16 per cent from 70.3m tonnes to 81.4m tonnes in the past year. There is evidence that these should be maintained in 1975-76, the wheat imports for human consumption requirements of the countries with the worst food problems—estimated at about 16m tonnes in 1975-76—was the case last year, said the IWC.

For the second successive year, world consumption is expected to be well below the "trend" line suggested by recent years of growth, particularly as stocks in the five major exporting countries at the end of their

respective crop years in 1975-76 are expected to show little change from the 27m tonnes they had in hand at the beginning of the season.

World trade in wheat is now forecast at 88m tonnes, compared with 64.4m last year due to the increased requirements of the USSR which is expected to take 11.5m of the 20.5m tonnes needed by Communist countries. Other developed countries will need about 11.3m tonnes, less than last year and developing countries about 36.2m, or 1.3m tonnes less.

Unsold stocks

The Ministry of Agriculture estimated in London yesterday that there were 7.2m tonnes of cereals left unsold or unused on farms in England and Wales at the end of September, compared with 9.1m tonnes at the same time last year. Wheat stocks were down to 2.6m tonnes compared with over 4m tonnes in 1974, barley 4.5m (4.5m) and oats 600,000 tonnes (550,000).

Earlier, Reuters reported from Luxembourg that the EEC had again lowered its estimate of the Common Market cereals crop from 97.2m tonnes to 97.5m tonnes, although the wheat crop was slightly higher at 38.1m compared with 37.5m tonnes in 1974.

Greenland fishing control move

By Hilary Barnes

THE DANISH Government is expected to outline a programme to-morrow for bringing international fisheries off the west coast of Greenland under control.

The Cabinet has rejected a demand by the Greenland Provincial Council for an immediate unilateral extension of the 12 miles fisheries limit to 100 miles, but it is preparing interim measures until the outcome of the UN conference on the law of the sea is known next summer.

Mr. Joergensen Peder Hansen, Greenland Minister, has said the UN conference will agree on a 200-mile economic zone, Denmark would inevitably have to consider whether it should introduce a 200-mile zone for Greenland unilaterally.

The Greenland problem concerns shrimp fishing. They allege that the shrimp catch outside the fisheries limit has risen from about 8,000-9,000 tonnes in 1974 to as much as 50,000-60,000 tonnes this year, although no reliable figures are available. Biologists have estimated that the maximum catch compatible with maintaining shrimp stocks is about 17,000 tonnes a year.

There are three nations claiming the area at the moment, Norway, Spain and the Soviet Union, but chiefly the latter two.

Shrimp fishing is not covered under the international commission for North-West Atlantic Fisheries. The Government is therefore planning to call for bilateral negotiations on the shrimp issue with the nations involved. Quotas or area limitations are believed to be the options which the Government will consider.

At Hull, prices rose by between 10p and 40p a stone yesterday. With two trawlers landing a total of 38,000 stones, cod fillets were bought at 25.50 a stone, 5p more than last week and haddock was selling at 25.30 a stone—a rise of 50p.

Fish prices at Fleetwood have been steady for the past week but when the Boston Marauder, owned by Boston Deepsea Fisheries, docked prices shot up.

Cod war lifts prices

FINANCIAL TIMES REPORTER

A COMBINATION of the "Cod War" problems and bad weather at the fishing grounds forced fish prices up at quaysides in Britain yesterday.

When the trawler Boston Marauder landed 3,900 stone—the half anticipated catch—at Fleetwood, new prices for cod were set. The price for cod was raised to 25.50 a stone. This compares with prices at Grimsby, three weeks ago of around 23 a stone.

Tied cottage protest planned

SEVERAL HUNDRED farm-workers are expected to take part in a rally and lobby MPs at the Commons to-morrow to press for the abolition of the tied farm cottage system.

The union expects a session of Parliament, and the farm workers' union—the National Union of Agricultural and Allied Workers—is putting on pressure to ensure that this time it is decisive and passed.

The union expects at least 700 members from every county in England and Wales to attend the rally.

Mr. Reg Bottini, general secretary, said at a Press conference yesterday: "Abolition does not mean demolition. He and his colleagues stressed that they wanted to ensure that the Rent Act and its provisions should cover the farmworker."

"We were very disappointed that in the first session of Parliament they did not include it in the programme following the October election of 1974," said Mr. Hazell.

'Ghana will keep cocoa output lead'

ACCRA, Dec. 1. GHANA HAS rejected predictions in a recent international cocoa organisation report that it would be overtaken by the Ivory Coast in the next 10 years as the world's leading cocoa producer.

The Ghana Cocoa Marketing Board (GCMB) told Mr. M. J. C. Brown, director of the International Cocoa Organisation, now on a fact-finding mission, that there was no question of Ghana relinquishing her leading position as a cocoa producer to any other country in the world.

It said as a result of successful research by Ghana's Cocoa Research Institute the future of the cocoa industry in the country was well assured.

Purchases of Ghana main crop cocoa for the month of November ended November 27) are estimated at 23,277 tons, according to the GCMB. This brings total main crop purchases this season to 220,310 tons, against 199,490 tons, after nine weeks last season.

Ghana's cocoa output will be 250,000 tons to 230,000 tons during the 1975 campaign compared with last year, official estimates show.

Reuters.

ROYAL SMITHFIELD SHOW



Mr. Fred Peart, Minister of Agriculture, who opened the Show at London's Earls Court yesterday, admires a Charolais cross Aberdeen Angus heifer. Later he promised beef farmers he would fight in the EEC to retain Britain's present beef support system instead of relying on permanent intervention.

Smaller cattle but larger machines

By John Cherrington, Agriculture Correspondent

MORE THAN 40 years ago I attended this show for the first time in the old Agricultural Hall at Islington. Basically it is the same to-day except that the cattle have become smaller and the machines a lot bigger and it is all much more expensive.

Even when small in those days the cattle and the sheep were all too fat. They are still in many cases too fat by modern butchery standards but their exhibitors like them that way and they pay the entry fees and provide the judges who should they not run things to suit themselves.

Forty years ago the Ministry of Agriculture presented cattle which they thought the butchers wanted and were laughed to scorn by the traditionalists. It is often confused with progress. The late King George VI produced the flesh of a champion beef only to find that the royal finger print remained permanently indented in the skin, these days.

Examples of bureaucratic indoctrination. The significant differences from the early shows is the hold the imported breeds have taken of the cattle entries. Nearly half the cattle are crossbred and 88 per cent have a proportion, great or small, of foreign blood. This is reflected of course in marketings outside where, thanks to artificial insemination, such cross-breeding is open to every farmer.

Foreign breeds. It is possible that the wide adoption of these foreign breeds sometimes without sufficient thought has not done as much for farmers as the proper use of the existing British strains would have done. But novelty in farming, as in everything else, is often confused with progress.

It is a pity that the late King George VI produced the flesh of a champion beef only to find that the royal finger print remained permanently indented in the skin, these days.

What with the falling 5 and escalating costs outside the manufacturers' control the price of everything seem to be fixed from day to day. There are some marvellous machines and if I were a millionaire I should love to indulge in them.

Some must be sold but I rather think that the falling 5 and the export trade belt tightening would be the rule for our manufacturers because farmers are very cost conscious these days.

Renewed fears on Colombian coffee

By Richard Mooney

RENEWED FEARS for the Colombian coffee crop could be cut by as much as 20 per cent, as a result of rain damage were countered last week by a rise on the London terminal market yesterday. The March position climbed to 2741 a tonne at one time, before closing 28 up on the day at \$74.5 a tonne.

Reports that this year's

Colombian coffee crop could be cut by as much as 20 per cent, as a result of rain damage were countered last week by a rise on the London terminal market yesterday. The March position climbed to 2741 a tonne at one time, before closing 28 up on the day at \$74.5 a tonne.

Reports that this year's

Colombian coffee crop could be confirmed that local opinion puts the figure nearer 20 per cent. This statement may have influenced Friday's late rise in New York which was reflected in yesterday's opening tone in London—as well as giving a direct boost to the London market.

But an exporters' representa-

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

UPPER-TURNED in the London market. Prices were initially lower, but then rose sharply as the market recovered from the initial decline. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

GOURMET

GALLIPIOLI RESTAURANT, on Old Road, London, is now open for lunch, dinner and evening meals. Call 01-493 2222. All seats booked.

CINEMAS (Contd.)

ALCANTARA SQUARE THEATRE, 330-332, Old Road, London, is now open for lunch, dinner and evening meals. Call 01-493 2222. All seats booked.

D.U.I.B.

ADVERTISER HAS D.U.I.B. AVAILABLE FOR SALE IN 10 TON LOTS. FEERS TO BOX A-537, FINANCIAL TIMES, 10, CANON STREET, EC4P 4BT.

PERSONAL

Sundries and Leather sale now on. Sundries and Leather sale now on. Sundries and Leather sale now on. Sundries and Leather sale now on. Sundries and Leather sale now on.

COMPANY NOTICES

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COFFEE

Robusta futures fell back to the afternoon low, but then rose sharply as the market recovered from the initial decline. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

SOYABEAN MEAL

Marketed as a shipper's tender to sell from stocks by the Chicago Board of Trade. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

RUBBER

SLIGHTLY STRONGER in the London market. Prices were initially lower, but then rose sharply as the market recovered from the initial decline. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

SUGAR

MARKET DAILY PRICES (raw sugar). The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

GRAINS

THE BALANCE TRADE was stronger throughout the market and prices moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

WOOL FUTURES

MARKET DAILY PRICES (raw wool). The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

COCOA

Prices moved back to quiet levels throughout the market and prices moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

JUTE

MARKET DAILY PRICES (raw jute). The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

PRICE CHANGES

Prices per ton unless otherwise stated. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

U.S. Markets

Prices fall in spite of selling. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

FINANCIAL TIMES

REUTERS. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

DOV JONES

MARKET DAILY PRICES (raw dov). The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

MOODY'S

MARKET DAILY PRICES (raw moody). The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

ART GALLERIES

RICHARD GREEN GALLERY. The market was mostly a little rougher than turned prices earlier and moved on a steady basis. U.S. market opened lower than closed, but forward supply down to 100,000.

STOCK EXCHANGE REPORT

Equity leaders shake off initial bout of dullness
Index up 3.9 at 361.2, after 351.5—Gilt mixed

Account Dealing Dates

Option

First Declared Last Account

Dealings from Dealings Date

Nov. 17 Nov. 28 Dec. 9

Dec. 1 Dec. 10 Dec. 21 Dec. 31

Dec. 12 Dec. 23 Dec. 31 Jan. 7

* New Dec. 23 deals may take place

from 9.30 a.m. two business days earlier.

Equity markets took a turn for

the better yesterday afternoon

after a fresh setback in the earlier

dealings. A fairly cautious week-

end Press on the outlook for

equities coming on a market still

digesting last week's bearish

pointers set the seal for a dull

start. Selling, however, soon dried

up and, with some useful inter-

mittent demand developing, earlier

falls were replaced by gains of

a few pence or so by the close.

The FT 30-share index, which

finished its lowest of the day at

10 a.m., with a loss of 5.5 at 351.5,

closed a net 3.9 higher at 361.2.

British Funds made a mixed

showing. Short-dated stocks

hardened a fraction, but medium

and long continued to reflect

disappointment with the terms of

the new long "tap" stock,

announced last Friday, and closed

with falls extending to 1. The

Government Securities Index lost

0.9 to 36.18.

In contrast to the leaders,

second-line equities made a

generally dull showing, but in

many cases were ending above

the day's worst. Falls led rises

by 2.1 in FT-quoted Industrials.

Official markings of 6.343 com-

pared with 7.404 last Friday and

7.460 a week ago.

Gilt irregular

Still registering disappointment

with the new long "tap" issue,

which many thought could have

been of longer life, British Funds

of extended maturity reacted fur-

ther. Most vulnerable were stocks

in the 1987 area and the existing

Treasury 13½ per cent. 1997—the

new "tap" issue is designated

"A"—fell ½ to 92½, after 92½,

following switching shorter and

particularly into the previous

"tap." Treasury 13½ per cent.

1982, which lost only ½ to 90½.

All quotations were above the day's

lowest, with the falls tapering off

and finally being replaced by

small improvements among the

shorts. Business here was

moderate but interest was shown

in high-coupon issues, generally 4

or so higher. The possibility of a

fall in U.S. Treasury bill rate

today was a helpful influence late

in the afternoon.

Noticeably quieter trading con-

ditions made the day fairly un-

eventful in the investment cur-

rency market and the premium

closed unchanged at 122 per

cent, after modest fluctuations.

Yesterday's SE conversion factor

was 0.9041 (0.9075).

Eagle Star "rights"

The announcement of a £25m

"rights" issue from Eagle Star

at the start of business yesterday

had no real adverse effect on

sentiment in Insurances, which

gave ground with the general

trend. Eagle Star, touched 37½

immediately after the news then

closed only a net penny lower at

123½. Sun Alliance closed 2 down

at 43½, after 42½, while General

Accident, the only major Com-

posite that has not yet announced

a "rights" issue this year, ended

a penny lower at 102½.

Up to 5 easier after a quiet

morning session, the big four

banks picked up well in the after-

noon and, after a fairly active

business, closed with gains of a

penny or so. Lloyds were 2 better

after 22½. Bank of Scot-

land closed 5 higher at 26½.

Australian issues did well on

"down-under" advice; Commer-

cial Bank of Australia were par-

ticularly favoured at 21½, up 1½.

Down 6 last Friday, Anglo-

Continental declined 2 more to

43½ in Merchant banks. Lloyds

closed 2 easier at 7½ and the new

nil-paid shares at 8½ premium.

After 8½, Anglo-American

Asphalt finished 5 cheaper at

16½, and the new nil-paid shares

at 6½ premium.

ICI were finally unchanged at

21½, after 20½. Elsewhere in

Chemicals, Enkan Plastics edged

up 3 to 5½ and Lanark moved

up 3 to 11½.

Stores, 33½, after 32½, gained a

penny apiece. Higher interim

earnings look B. Paradise up 3 to

33½. Mail Orders had an easier

day, 88½, and Gomme Holdings,

Warehouses both finishing 3

easier at 8½ and 89½ respectively.

Leading Engineering figures

prominently in the about-turn,

Tube Investments closing a net 6

higher at 25½, after 24½, and

GKN 2 better at 25½, after 24½.

John Brown remained dull at 55½,

down 2, along with several other

issues which included British

Sears, Spectronics, and

Farnsworth. Sims, both about

4 easier, fairly lost 2 more to

73½ following comment on the

"rights" issue and profits fore-

cast, while Samuel Osborn, 52½,

was markedly easier after the

preliminary results. Investment

comment continued to stimulate

Babcock and Wilcox, 4 dealer at

70½, and Laker and improved

to 59½ on the word start to cur-

rent-year trading. Elsewhere,

Raine rose 3 to 34½ and White-

house 2 to 13½. In Shipbuilding,

Hawthorn Leslie gave up 4 to 58½.

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S.F. ACT

NOTES

FT SHARE INFORMATION SERVICE

BANKS AND HIRE PURCHASE

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Alfred McAlpine	120	10	8.3	120	118	119	119	-1
Barclays Bank	110	10	9.1	110	108	109	109	-1
Bank of England	100	10	10.0	100	98	99	99	-1
Bank of Ireland	90	10	11.1	90	88	89	89	-1
Bank of Scotland	80	10	12.5	80	78	79	79	-1
Bank of Wales	70	10	14.3	70	68	69	69	-1
Bank of Cyprus	60	10	16.7	60	58	59	59	-1
Bank of Greece	50	10	20.0	50	48	49	49	-1
Bank of Spain	40	10	25.0	40	38	39	39	-1
Bank of Portugal	30	10	33.3	30	28	29	29	-1
Bank of France	20	10	50.0	20	18	19	19	-1
Bank of Italy	10	10	100.0	10	8	9	9	-1

BUILDING INDUSTRY—Continued

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

DRAPERY AND STORES—Continued

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

ENGINEERING—Cont.

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

INDUSTRIALS (Misc.)

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

BEERS, WINES AND SPIRITS

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

CHEMICALS, PLASTICS

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

ELECTRICAL AND RADIO

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

ENGINEERING, MACHINE TOOLS

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

FOOD, GROCERIES, ETC.

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

BUILDING INDUSTRY, TIMBER & ROADS

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

CINEMAS, THEATRES AND TV

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
Anglo-Booth	70	10	14.3	70	68	69	69	-1
Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

DRAPERY AND STORES

Stock	Price	Div	Yield	High	Low	Open	Close	Change
Anglo-Booth	120	10	8.3	120	118	119	119	-1
Anglo-Booth	110	10	9.1	110	108	109	109	-1
Anglo-Booth	100	10	10.0	100	98	99	99	-1
Anglo-Booth	90	10	11.1	90	88	89	89	-1
Anglo-Booth	80	10	12.5	80	78	79	79	-1
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Anglo-Booth	60	10	16.7	60	58	59	59	-1
Anglo-Booth	50	10	20.0	50	48	49	49	-1
Anglo-Booth	40	10	25.0	40	38	39	39	-1
Anglo-Booth	30	10	33.3	30	28	29	29	-1

ENGINEERING, MACHINE TOOLS

FOOD, GROCERIES, ETC.							
134	Adams Food	10	23	41.05	4.4	7	0
46	Alpha Cst D 10p	120	5.60	1.91	4.4	7	0
48	Am. Breadst 20p	69	1.62	0.11	4.4	7	0
50	Am. Breadst 10p	69	1.62	0.11	4.4	7	0
51	Am. Dairies	199	2.70	0.11	4.4	7	0
52	Am. Fisheries	20	1.10	0.11	4.4	7	0
53	Am. Fisheries	20	1.10	0.11	4.4	7	0
24	Banks (Singer C)	45	3.0	2.61	10	0	0
24	Banks & D 10p.	120	5.60	1.91	4.4	7	0
85	Barber & S	75	4.82	1.8	6	0	0
19	Baskin (Nesle)	19	5.22	1.7	6	0	0
24	Baskin's York 10p	120	5.60	1.91	4.4	7	0
31	Bell & S	62m	1.0	1.7	3	0	0
31	Bible & J	72	3.99	1.7	3	0	0
31	Bishop's Store	63	1.91	4.8	4	0	0
155	Bishop's Store	63	1.91	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
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155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
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155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155	Blair Sugar C	325	6.85	4.8	4	0	0
155</							

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EEC summit agrees spending control plan

BY REGINALD DALE

THE EEC summit to-night agreed new measures to control Common Market spending, but the nine Government leaders were no nearer settling the major political issue of their talks here—the British demand for a separate seat at the forthcoming North-South conference on energy and raw materials.

It was clear that Mr. Harold Wilson, Prime Minister, will face heavy pressure from his Community colleagues to abandon his demand when the summit formally gets to grips with the issue to-morrow.

As the EEC Summit opened here this afternoon Herr Helmut Schmidt, the West German Chancellor, and President Valéry Giscard d'Estaing of France agreed on a joint bid to break the deadlock created by the U.K.'s refusal to accept that all nine Community countries, including Britain, should be represented by a single EEC delegation.

The French and German leaders agreed over lunch that a special effort should be made during the two day summit here to see that the Paris conference goes ahead as arranged on December 16.

Some officials were to-night predicting that after a day of deadlock to-morrow Mr. Giscard d'Estaing would simply announce he was postponing the conference and try to fly the blame squarely on the U.K.

Earlier Mr. Leo Tindemans, the Belgian Prime Minister, said he was pessimistic about hopes of finding a compromise, and it was still far from clear to-night what form such a compromise might take. One theory was that the Eight might try to persuade Mr. Wilson to accept a joint EEC delegation in exchange for the adoption of a Community position that met Britain's special needs.

Officials said two other British proposals had also been broadly agreed.

At the end of to-night's formal session, there appeared to be some misunderstanding of the position Mr. Wilson had taken on direct elections to the European Parliament.

Although it was emphasised on the British side that its position remained unchanged, several other delegations, including France and West Germany, had gained the impression that Mr. Wilson had now accepted that the first European election should take place in 1978.

The British line was that the Government was wholly committed to the principle of direct elections but that it would be impossible to meet the 1978 target date for technical reasons. Nevertheless, diplomats from other countries were to-night hopeful that some kind of understanding of 1978 might be wrung from Mr. Wilson to-morrow. Italy, which is chairing the summit, is pressing hard for a decision within the next 24 hours.

The measures to control EEC spending, agreed in principle to-night, include the appointment

ROME, Dec. 1.

of a special financial commissioner in Brussels with the power to veto proposals costing too much money. Britain has given strong support to this West German idea, which is expected to take effect from the beginning of 1977.

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The measures to control EEC spending, agreed in principle to-night, include the appointment

Irish police free girl suspect

BY GILES MERRITT

DUBLIN, Dec. 1

A FUROR looms over the Irish authorities' decision to-night to release Miss Margaret McKearney and three other suspected Provisional IRA activists.

Miss McKearney, 21, is wanted in Southampton under two separate warrants concerning arms and explosives offences.

In spite of the political nature of the decision, the Irish Government is officially describing it as a "police matter."

Police in Dublin have refused to comment on the freeing of the four—except to point out that Miss McKearney would still be in custody if the Hampshire police had indicated their intention to begin extradition proceedings under the warrant they issued in April this year. It appears that no such approach was made.

The four were detained on Saturday evening at the border town of Monaghan under the anti-terrorism Offences Against the State Act.

All four—who included a sister-in-law of jailed Provisional leader David O'Connell—were released at 2 p.m. This was seven hours before the 48-hour deadline by which charges had to be brought against them.

The police apparently decided that they did not have enough evidence to press the charge of IRA membership.

All that is required to convict a person charged with IRA membership is a statement to the Justice's Criminal Court by a senior police officer that he had reason to believe that the accused was a member of an illegal organisation at the time of arrest.

Miss McKearney's release is likely to strain further relations between the British and Irish police forces.

But there are also fears that it could lead to a campaign of "retaliatory" bombing in the Republic by Northern Ireland's Protestant paramilitary group.

The largest of the Loyalist "private armies," the Ulster Defence Association, today claimed responsibility for the weekend bombing of Dublin Airport.

Richard Evans writes in London: MPs in all parties were bitterly disappointed at the decision to release Margaret McKearney from custody in Ireland.

After months of closer relations between the two Governments, Ministers were reluctant to be too critical of the Irish authorities.

But the McKearney incident has undoubtedly led to a feeling of intense frustration in London over the difficulties involved in capturing and prosecuting terrorists in the Republic.

An extradition warrant against a wanted terrorist is unlikely to succeed, because the wanted person can claim judicial immunity on the ground that crimes were committed with a "political motive."

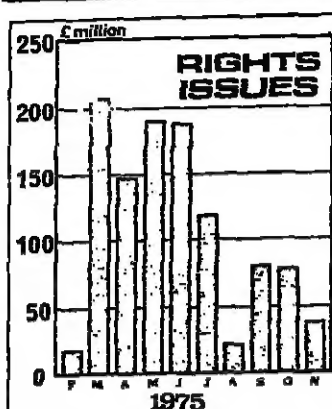
The British Government bases its hopes for an improvement in the situation on the Criminal Law (Jurisdiction) Bill now in its final stages before the Irish Parliament. Under the Bill, those suspected of conspiracy to cause explosions could be tried by courts in Britain or the Irish Republic.

Detainees released. Page 10

THE LEX COLUMN

Eagle Star joins the crowd

Index rose 3.9 to 361.2



Eagle Star's £25.8m. rights issue—by far the largest since Grand Metropolitan's, two months ago—has left only General Accident among the seven composites still absent from the list. An apparently paradoxical point is that even before the issue, ES's solvency margin of 45 per cent. is slightly higher than the sector average. But the company told the Monopolies Commission during last year's investigation into the proposed Sunley and Grovewood mergers that a stronger than average margin was desirable because of the high proportion of long tail business (motor and liability) which is especially vulnerable to inflation. Anyway, the issue lifts the solvency margin by nearly 13 points on expected 1975 non-life premiums of £200m. to near the top of the composite league. But the margin was 105 per cent. after the last rights issue in 1961.

A difference from some other composites is the size of some of its individual investments, especially in associates, and so it could be affected by forthcoming regulations which may limit the proportion of value of such large holdings which can be taken into account for the technical solvency calculations. However, this should not reduce the margin by much more than five points.

The large profits transfer from the life business, included in the books for only £1,000, has in the past meant that the company's shares have traded at a premium to the sector though this has now largely disappeared—the ex-rights yield of 6.4 per cent. is in line with the composite average. Incidentally, the discount of 20 per cent. to the week-end price is one of the tightest in recent issues and compares with the 23.5 per cent. for the Royal issue in mid-September.

(See also Page 18)

much lower yield on the Ordinary, and in addition to this rather broad rule of thumb adjustment a sufficient margin has had to be provided to attract holders of the bearer bonds throughout the world.

The bonds were issued in the early days of early 1973 on terms involving a minimal addition to the equity: so even after the improvement in terms, net assets per share should rise by 7 per cent., and earnings by 11 per cent. (on last year's low figure). The earnings benefits are enhanced by the fact that the group has been unable to obtain much tax relief on the interest payments because the original proceeds have not generated profits in the right places—indeed there may have been investment losses. This point partly explains the 71 per cent. tax rate of 1974-75, and also why there is a net cash flow gain after allowing for increased dividend payments. The group's gearing will also be radically improved with a rise in shareholders' funds from £3M358m. to £M427m. with a reduction in gross debt from £291m. to £212m.

(See also, Page 21)

of being left a forced sale should the Monopolies Commission turn nasty after its month probe. In fact, the Canadian's stake has now fallen below the 25 per cent. level which could trigger a Monopolies reference, but it is not clear whether the shares were sold ahead (and it still holds an unchanged stake in Manchester Liners).

Suspensions have immediately arisen that Hambros Bank, back in the Furness picture, may have repurchased the stock originally sold to Eurocanadian—indeed, it is not clear whether the shares were sold unconditionally or transferred. Will the block be available Eurocanadian in the future?

Special steels

The demand outlook for steel industry is as bleak as at any time this year, most of the independent prices in the sector have aged in performance surprising well. Johnson and Firth has just a tenth short of its peak while Samuel Osborn, Neepe and Allen have all moved even more closely in line with the index. Yesterday Osborn's 1974 sales trends underlined the top's volume problems, but also helped to remind the market that some groups have cushions.

U.K. steel output this year a tenth lower after ten months and although special steels are not necessarily at tightness in this overall picture, the trends at Osborn are depressing. Over the two halves 1974-75 sales dropped 4 per cent. in value, and with South Africa moving well into a sharp drop in U.K. volume, second half profits Osborn raised its net dividend around 27 per cent. Growth overseas has offset U.K. steel setback kept overall profits all-year at £2.9m. pre-tax. The share yield 71 per cent. at 52p fully taxed cover extending three times.

(See also, Page 26)

France ready to co-operate on European arms production

BY ROBERT MAUTHNER

PARIS, Dec. 1.

FRANCE HAS taken an important step towards European defence co-operation by agreeing to the creation of a special independent body made up of European members of the Atlantic Alliance to discuss problems of arms production.

A positive, though conditional, reply was sent at the weekend to the Belgian chairman of the ten-nation Eurogroup, which last month made a number of proposals in this area specifically tailored to accommodate France's independent defence policy.

Not every aspect of the proposals by the Eurogroup, which is due to meet again at Ministerial level in Brussels next Monday, is acceptable to France. It has, for instance, agreed on that it should join the proposed European Defence Procurement Secretariat, according to authoritative sources. But the French would participate in another new forum in which the European members of the Alliance would co-ordinate their arms production policies.

The reason for the distinction made by the French Government is clear. France left NATO's integrated military command in 1966 and, as President Giscard made clear only a few weeks ago, has no intention of rejoining it.

The decision in principle by the Eurogroup Ministers to set up a special independent body, the Secretariat, is treated with suspicion by the French because it smacks too much of a new NATO institution. It is seen as a trap—particularly in Gaul—lest France be back into the NATO fold.

For this reason, the French have specified in their reply that any discussion on co-operation in the field of arms production must be entirely inter-governmental and take place in an independent body—without any links with existing organisations such as NATO itself or the Eurogroup.

It was not immediately clear how the French intend to deal with the closely-linked

problem of standardisation of arms, except that they do not believe that production and standardisation should be discussed in the same forum.

Standardisation is a problem for the Alliance as a whole, officials here stressed, and will be discussed by the Nato Council of Ministers, in which the French participate, at its next meeting on December 11 and 12.

It was emphasised in Paris, however, that any standardisation of European and American arms must not take place at the expense of the European armaments industries and must safeguard the advanced technological know-how and industrial capacity which already exists in Europe.

In French eyes, the problem of arms procurement can be dealt with once a solution has been found to that of co-operation on arms production, although it is not immediately clear how the two questions can be separated in practice.

French defence policy, Page 7

Eurocanadian reduces Furness Withy stake

BY MARGARET REID

EUROCANADIAN SHIPHOLDINGS, a company with Canadian and Swiss connections, has disclosed that it is reducing its 23.5 per cent. stake in the Furness Withy shipping group, which was last week referred to the Monopolies Commission, to 20.6 per cent.

In doing so, Eurocanadian said the move would "facilitate the situation in the event that the Monopolies Commission rules unfavourably on our holdings shares in FW."

Although its stake in FW was now below the level of "dominant influence" referred to in the Commission's (1975 per cent.) Eurocanadian believed the commission's inquiry should still proceed. This, it added, was because "we remain interested in Boardroom representation and in rebuilding a shareholding in FW if the commission's ruling is favourable."

Some confusion last night surrounded the exact circumstances of the lowering of the Eurocanadian interest by 3.2 per cent. of FW's shares, a holding worth £42.5m. at current prices.

When Eurocanadian first disclosed in September that it had built up a 28 1/2 per cent. stake in FW, it was widely believed that the bulk of this holding had come from interests associated with Norwegian shipowner Mr. Rinar Riksten, which have been affected by the world tanker slump, and from interests associated with Hambros Bank.

Last night, Hambros claimed that Eurocanadian had undertaken to buy an 8 per cent. stake in FW from the bank but had not in fact acquired it. Eurocanadian responded to this by saying: "We have never commented on our share transactions." In the City, there was speculation that there might have been some element of conditionality over earlier arrangements for Eurocanadian's purchases of FW shares.

Reporting the lower Eurocanadian stake yesterday, FW said it had been "informed that Eurocanadian Shipholdings has made arrangements to reduce its declared beneficial interest of 23.5 per cent. to 20.6 per cent. by the disposal of an interest in 2,193,368 shares to third parties who are not associated with Eurocanadian."

Eurocanadian indicated that it had no plan for any further lowering of its shareholding in FW. Shares of FW last night closed 1p up at 193p.

Sime Darby

Sime Darby's early conversion offer to the holders of the S.S.29.4m. 51 per cent. bonds 1988 follows similar recent moves from Guinness Peat and Johnson and Firth Brown, but the proposals have a number of unusual features peculiar to the company. Thus the terms of exchange — 675 shares for each bond — are equivalent to 2.46 times the present rate of conversion and represent a 54 per cent. increase in capital value on Friday's closing price. This premium has been made necessary partly because of the

Eurocanadian

The story of Eurocanadian's entanglement with Furness Withy took another twist yesterday with the news of a reduction in the Eurocanadian stake from 28.8 to 20.6 per cent. There had arisen, the company said, the "opportunity" to dispose of a certain quantity of shares to third parties not associated with it. Conveniently, it would appear, Eurocanadian has been able to lighten the financing burden of its stake by shedding shares worth around £4m., while reducing the danger

Government may help BSC finance steel stocks

BY ADRIAN HAMILTON

THE Industry Department may step in to support new attempts by the British Steel Corporation to finance steel stocks during the recession.

Answering questions in the Commons yesterday, about the corporation's failure to raise some £75m. for this purpose from City institutions, Mr. Eric Varley, Industry Secretary, said that the Government was anxious that there should be machinery for co-ordinating steel plant.

British Steel recently attempted to raise money from the City by selling stocks under a guarantee to buy them back at an agreed price. But the scheme

seems to have failed, largely because of Treasury and Bank of England opposition to its indexation aspects.

The Department of Industry, which had originally supported the idea, is now thinking of a number of ways in which the idea could be pursued, quite possibly with a predominantly Government-backed scheme.

Financing of stocks at a time when, as Mr. Varley described it, the BSC was "facing the worst recession for 40 years," is regarded by the Department as not only a useful way of providing more funds for the Corporation, but also as a means of sustain-

Another round of talks on Chrysler rescue

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE GOVERNMENT is expected to see Mr. John Riccardo, the Chrysler Corporation chairman, in London this week before announcing its terms for a limited rescue of Chrysler's wholly-owned British subsidiary.

Mr. Riccardo, who was in London last night en route to Paris, will return later this week.

A statement from the Department of Industry is expected after the Cabinet meeting on Thursday, although in the House of Commons yesterday, Mr. Eric Varley, Industry Secretary, refused to say a firm timetable to the Government's announcement.

The Government has clearly been determined in recent weeks not to be rushed into a decision on Chrysler, but it has been hampered by divisions in Cabinet on the question of how much aid to give the company, and the importance of supporting investment in a politically-sensitive area of Scotland.

It has also been consulting British Leyland on the impact of a break-up of Chrysler on its affairs, and the possibilities of linking Chrysler's activities with those of the new State-owned company.

Shop stewards at Stoke, Coventry, have decided against setting out a firm programme of action until the Government makes its announcement.

One pressing reason for an early Government statement, which was raised with Mr. Varley in the Commons yesterday, is the long delay in eroding confidence in Chrysler's cars, and creating difficulties with its dealers. Chrysler is expected to achieve only a 5.4 per cent. share of the U.K. car market in November, and is now offering dealers up to £150 on each new car sold in an effort to stimulate sales.

The November registration figures will show equally bleak results from British Leyland, which is expected to drop to about a 24 per cent. share of the market, against targets of over 30 per cent. because of its supply problems. BL's position at the top of the lists will be taken by Ford, which is expected to have a share of about 29 per cent., with the importers taking about 34 per cent.

Parliament, Page 14

Union pulls out of Fleet Street talks

THE CHANCE of an agreement governing the introduction of computer-based technology in national newspapers has suffered a setback, following withdrawal of a union from top-level negotiations with management arranged for later this week.

Two other unions decide to-day whether to attend the talks, and both—the National Graphical Association and the Amalgamated Union of Engineering Workers—are known to have reservations on the proposed joint strategy drawn up by a meeting of printing union leaders last week.

If they follow SLADE which covers process workers, and boy-friend Friday's talks with Fleet Street employers, this would reduce chances of smooth implementation of technological changes planned by several national newspapers.

After a week-end meeting of the SLADE executive, Mr. John Jackson, the union's general secretary, has written to Mr. Bill Keys, the Society of Graphical and Allied Trades general secretary and chairman of the TUC printing industry committee, saying that SLADE did not believe it would be "wise or helpful" to take part in Friday's talks.

A meeting of the NGA news trade group committee to-day is expected to opt out of Friday's talks because other printing unions are refusing to maintain existing demarcation lines

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Haw Par: City visit

SENIOR DETECTIVES from Hong Kong who are in Britain to continue their inquiries into Haw Par Brothers International, of Singapore, and other companies formerly associated with Slater Walker Securities, are to confer with City of London police officers to-day.

The visiting officers, Senior Superintendent Peter Wassell, head of the commercial crime office of the Royal Hong Kong Police, and Chief Inspector Paul Bailey, arrived in London at the weekend.

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